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RALLYING UNION FORCES TO SUPPORT OF WHITE BUDGET

But a Considerable Western Exodus is to be Expected

CALDER AND CRERAR

Their Statements of Policy Set the Line of Cleavage Between the Moderate and Extreme Western Factions

By Resident Representative.

OTTAWA.—The tariff continues to be the storm-centre, and the West still dominates interest, as it has done all this session. The budget is down now and nothing can be effected by revolt, but the Western unionist members—partly in protest because of what they consider the small measure of weight given to their representations all session, and partly to satisfy Western sentiment, will register a heavy vote against the Government on the measure. During the past week several who were looked on as likely to stand by the Government have intimated that they must follow the crowd, so that it is not improbable that at least twenty, and probably more unionists will vote against the budget. If it was intended to allay unrest among the farmers it has certainly failed to convince their representatives that it has done so; although the manufacturers in the House appear to be resting easier for the time being. So far as this budget goes, the troublesome tariff question is just where it was before, and the Government is considerably less solid than it was.

The frequent references to reciprocity by Liberal speakers, and the fact that Mr. McMaster, the financial critic of the Opposition urged in his motion of amendment to the Budget that the still standing American offer be taken advantage of are interesting phases of the political situation. Both Mr. McMaster and Dr. Beland dwelt upon it with favor, and it would seem to have a pretty strong place in the estimation of the Liberals, who have never believed that it was defeated on economic grounds. It will probably be one of the numerous issues to throw discord into that August convention.

Crerar and Calder

The debate on Wednesday was of particular interest as it produced statements from one man who has just left the Government, and another whose probable course has been the subject of considerable speculation. Mr. Crerar made a very strong anti-protection speech, and Mr. Calder's sentiments were somewhat along the same line; so we had the singular spectacle of one man coupling up the principle of tariff reduction with his departure from the Cabinet, and another with his announcement that he would stay where he was.

When Mr. Crerar made the statement that the present Budget was frankly a protectionist one, he did not need to adduce any further reasons for his resignation. He claimed there was discrimination in the Budget even as between what little was granted to the farmers, and concessions were made to the West, while the East was discriminated against. He thought it was poor policy to encourage soldiers and others to go on the land and then soak them $400 in duty on a $2,000 outfit: Taking 1914 as a normal year, when nearly eight million dollars' worth of agricultural implements were exported, he thought this was sufficient evidence that if they could thus compete in the world market they could compete at home. Cream separators had been placed on the free list in Canada twenty years ago, and there were now eleven plants making them here.

A Question of Profits

When Mr. Crerar attacked the Monarch Knitting Company, the Canadian Fairbanks-Morse, the Canada General Electric and other companies for the profits they had made, he was on treacherous ground, as he is himself the head of a company which can hold its own in the way of profits with the best of them. He spent some time elevating the planks on the farmers' platform, which explains how revenues can be raised if we do away with the tariff.

Mr. Calder represented the element that tarried in the Cabinet, and he explained why he proposed to remain there until demobilization was complete and to support the Budget. Nevertheless, he issued a strong word of warning on the dangers of the situation. He said there should be a thorough study of the economic situation. The existing tariff was full of anomalies and had outlived its usefulness. There was now a serious cleavage between East and West, and as one who had spent his life in the West he warned all concerned that if the present conditions continued too long the very foundations of Confederation would be shaken before there was a solution.

It is possible that the strong appeal he made for those of all shades of politics to stand by their purpose on going into Union Government may have some effect on the wavering ones and reduce the size of the exodus.—T.M.F.

BOLSHEVISM AT LAST AROUSING OTTAWA

Government Now Appreciates a Situation Which Has Been Too Long Neglected

OTTAWA. — The FINANCIAL POST has made frequent editorial and other reference to the free way in which sedition was allowed to spread unchecked among Canadian workmen. It has practically been encouraged in the past, first by neglect to enforce existing orders-in-council and finally by their repeal under pressure of the very classes against whom sedition laws are now being passed. In the House this week the Solicitor General, in explaining the terms of an act regarding the naturalization of aliens, made some very strong statements on the subject. He pointed out that there was nothing in our criminal laws at present to prevent the circulation of seditious literature through the post office. In a recent issue of the FINANCIAL POST attention was drawn to the case of a Western post office employee who had been caught in the act in this very work of circulating seditious literature, and whose only punishment was to be reinstated in his position by the department.

It is now proposed to make this a criminal offence, with a maximum penalty of 20 years. The Solicitor General emphasized the fact that the situation was exceedingly grave, both here and in the United States. It has been so for months past; but the members of the Government appear to have been the last to recognize the fact. Mr. Charles Murphy pointed out to the Attorney General that action should have been taken months ago under the orders-in-council.

—T. M. F.

C. P. R. TO BUY GUELPH RADIAL

Municipal System May Seek Way Out By Aid of Big Corpoartion

THE FINANCIAL POST understands that negotiations are approaching consummation whereby the Guelph Radial Railway System, which, as previously reported, has been badly run down financially under municipal administration, will be taken over from the city by the Canadian Pacific Railway Company. The C. P. R. plans would undoubtedly embrace an extension of the line to connect with its Lake Erie and Northern traction system at Galt or the Grand River branch at Hespeler under a charter now owned by the city. At the same time the company would obtain an important freight feeder for its steam-line in which the city is also interested through ownership of the Guelph Junction Railway which the C. P. R. operates under lease on a percentage basis. Improved local service to the citizens is promised.

BALDWINS' NEGOTIATIONS

Deal for British Forgings Plan Now Developing in London

Reports from London that Baldwins have concluded negotiations for the purchase of the British Forgings plant in Toronto are premature, according to E. L. Cousins, manager of the Harbor Commission. The matter is being considered in London, but so far no definite advices have been received.

NEW YORK.—Holders of United States Steel common stock of record May 29, when the books closed for the June dividend. numbered 74,071, compared with 78,018 the previous quarter and 72,779 at the end of November.

CANADA'S FOREIGN TRADE UP TO THE MANUFACTURERS

Methods Must Change, Says Lloyd Harris in Straight Talk

BIG OPPORTUNITIES

Business is Waiting for Those Who Go After It In Right Way — Practical Information and Details

In emphasizing the necessity for Canadian manufacturers to develop initiative in seeking export business, business which is waiting for them in Britain, in Europe, and in the other markets which these countries formerly supplied, Lloyd Harris, before the Canadian Manufacturers' Association, did not mince words when he referred to lack of efficient selling organizations, neglectful methods in dealing with prospects, reprehensible efforts to make the other fellow pay the limit, etc., which are to-day factors working against expansion of our trade. He told the manufacturers that they would have to get on the job if they wanted this business. They would have to send practical representatives into the field, be prepared to meet competition, produce goods to suit the consumer, and in other ways organize efficiently to grasp the opportunities now afforded. Further he advised that manufacturers and bankers work together to establish their own credit arrangements and thus get away as soon as possible from Government paternalism; the Government for that matter had its own financial problems without financing trade.

Mr. Harris reviewed the efforts of his associates and himself on the trade mission. He told of the difficulties encountered owing to financial and other conditions which were emphasized by lack of samples and prices, and illustrated how those manufacturers who had been on the job had secured important business; in some cases representatives who went to England to buy goods had returned to Canada with export orders.

Establishment of Canadian credits in some of the countries where trade opportunities exist, such as Roumania and Greece, is possible to a great extent, but in Southern Russia there is no financial machinery fit for such transactions. Yet there, he explained, there is an immense opportunity for business carried on by the simple, old Indian system of trade and barter. Exchange of goods on huge scale is possible there, as Mr. Harris showed.

Greece in Sound Position

"Greece," he declared, "will be in a very sound position before very long. Her finances have not suffered as much as the finances of some other countries. They have at the head of affairs there a remarkable man, who has done wonders for Greece. We have arranged a working credit devised to fill in at present. It is for $25,000,000, of which $5.000,000 is to be devoted to assisting the Greek merchants to purchase the goods they require, suitable for their own trade.

"It is arranged that we effect this credit on a basis of forty per cent. cash, and the balance in six, nine and twelve months' treasury bills. By this means there will always be a matter of $5,000,000 which will work practically as a revolving credit, and which will be valuable for some years to come, that is until Greece gets into a condition better able to finance herself.

Need More Ocean Tonnage

"I think I have already said that one of the greatest difficulties we have, as I think you realize, is the lack of sufficient ocean tonnage to carry what we make away from Canada. Within Canada we can move our products; when it comes to moving our goods to other countries we have nothing. We have to depend on the tonnage of other nations. The British mercantile marine on which we have depended will be very busy for the next few years in carrying what the British need themselves.

"Just as an instance, Greece needed wheat. I had a talk with Mr. Venizelos on the subject, and told him that since he was out to secure wheat, and wheat was an expensive commodity in these days, it would be in his interests to buy only the very best,

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The C. M. A. Annual Meeting

By J. B. MACLEAN.

THE annual meeting of the Canadian Manufacturers' Association this week opened with a severe denunciation—which had been carefully prepared—of myself and THE FINANCIAL POST, by two members and wound up with the greatest general reward I have had in my whole journalistic career, going back over 37 years. When Mr. Bulman vacated the chair in favor of the new president, he advocated—at times in the exact words of THE POST—the policies put before its readers. He was followed by Mr. Robson, of Edmonton, in the same strain. The helpful work done by THE POST was specifically mentioned by one of the oldest members, Hon. E. J. Davis. Finally one resolution after another was unanimously adopted on exact lines persistently suggested in these columns. This is published as a vindication.

As our readers know, a campaign has been going on in these columns for nearly five years for a reorganization and for a change in the general policy and attitude of the Association. This campaign has been constructive in that the weaknesses and handicaps were frankly and fearlessly exposed and methods by which they could be overcome were specified. The campaign was undertaken in conjunction with some of the older members, who from long experience clearly saw where the Association would land if it continued to drift along as it had been under the men who had gradually assumed its control and direction.

It has been an unpleasant fight. I knew my motives would be impugned, and as one distinguished correspondent wrote, I should have been "warned of the folly of proven experience tilting at an adamant state of mind." I knew, also, that I would be bitterly attacked by the smaller minds. But when we had so many of the members of proven experience at our back we knew we were right.

It is to these men the Association should give credit for this week's further developments. I, and the writers associated with me, have been merely the medium by which the facts and sane views have been placed before the membership generally, and through whom the necessary pressure was brought to bear to eliminate the influence of the Toronto clique. At one time the membership generally, including many in Toronto, felt that the only way to eliminate this control was to move the head office to Montreal or Ottawa. But the strong article in last week's issue, the chief thought in which was inspired by a member, was the final blow that broke the power of the clique, and the motion to retain the head office in Toronto, in which district the vast majority of the members are, was adopted.

These and following points are given because this issue is to be sent to those manufacturers who are not regular readers. Some of my good friends in the C.M.A., members like E. G. Henderson, a past president. question the advisability of dealing with these matters in THE POST. But the facts are that more manufacturers read this paper regularly than the total membership of the Association to-day, the other readers being financiers and investors, who are very deeply interested as present and prospective investors in Canadian industrial securities. So important has this become that we have been considering for some time giving more space to manufacturing topics. The encouraging developments at this week's meeting have settled it.

My life work has been as a specialist in giving of news, the advocating of policies in the best interests of the various classes, manufacturers, investors, merchants, farmers and others. In that way we get more closely in touch with the real opinion of the whole country than any other newspaper publishers. Also, so much depends upon the accuracy of our information and views that it is absolutely necessary to tell the truth. That is what we are paid for. This naturally sometimes gives offense to my best friends, who see only their particular, selfish side, or to others, quite sincere, who cannot see that a newspaper like THE POST is a national institution, not a local corporation. Readers have no conception of the strenuous efforts made to suppress or misrepresent important transactions. It is far worse in class than in general newspapers, and Stewart Lyon, editor of the *Globe*, speaking at a meeting of editors, deplored the way the big daily papers were handicapped on this account—the suppression of news—and he was followed by the editor of the *Telegram*, Winnipeg, to the same effect. The big class papers dare not suppress anything that is of vital interest to their other readers, if they would hold their clientele permanently. This is much misunderstood. We have occasionally been accused of carrying on our papers in the interests of our readers. This is true and in the long run it has been realized by those who accuse us that it is in their best interests.

Early C.M.A. Days

I had my first experiences with the C.M.A. in 1882-3 at tariff interviews with Sir John Macdonald and Sir Leonard Tilley. From then on I have been an ardent protectionist for Canada and have been through every campaign since. With this experience and the information that comes to me through all the other classes we serve, we ought to know the attitude of the Canadian people as a whole better than most men. And we think we best serve our readers and the manufacturers generally by giving them the hard facts, and advocating the policies based on them that will aid in upbuilding Canadian industry, no matter how disagreeable.

A number of men in the C.M.A. have refused to look at these facts. They say we are doing great harm in publishing them. They say, "The way to deal with the farmer is to throttle him; to hell with trade unions; squelch the clergy." Some very good men hold some of these views because they do not know the facts. When they know them they act very differently. What promised to be a big, costly, very nasty strike, involving thousands of men, a few weeks ago was quickly and satisfactorily settled by a man who read one of our articles which completely changed his attitude towards labor unions. I will give the names and details to the president of the C.M.A. for verification. Then there is the other class who seldom go outside their own circle and are out of touch with general manufacturing conditions, and still more so with public opinion. Unfortunately they have had most to say in the C.M.A. Hence present conditions. But of them I will talk later.

In the meantime I will rise to a "question of privilege," as S. R. Parsons —one of the best presidents the Association ever had, but an injudicious ex-president—would say, and he "rises" often these days. Some of the leading dailies have taken great pains to play up the sensational parts of the C.M.A. meeting, omitting the explanation details. Our last week's article on Association matters stirred up the "old gang"; also Mr. Parsons, who, however, has not been one of them. Mr. Parsons brought it up and dealt with it unfairly and inaccurately as documents referred to since will show. He also raised several other interesting points on newspaper policy which will be dealt with later, but he altogether refrained from dealing with the main points in the article.

Something About Yellow Dogs

Then up rose Sam Harris. He said he considered himself one of the old gang as he had been 15 years one of the most active members of the executive committee and had much to do with the policies of the Association all these years, which is quite true. He wanted to know who the pinheads were. "Am I one of them, Colonel?" he asked.

To which I replied I would let it be decided when he finished his speech.

He refrained from dealing with the article which he had in his hand on its merits. That is, to explain or defend the charge in the article that the old gang in the C.M.A.—which he said he represented—had so mis-

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GRASSHOPPERS DOING SERIOUS DAMAGE IN WEST

Miss E. Cora Hind's First General Report of the Crop Situation

WHEAT OUTLOOK GOOD

But Extreme May Heat Hampered Seeding and Retarded Germination of Late Crops —No Acreage Increase

By E. CORA HIND,
Commercial Editor Manitoba Free Press

WINNIPEG, Man.—With the return of the commercial telegraphers to their keys, it has been possible for the "Manitoba Free Press" to get queries into the country as to crop conditions, and to-day (Friday) with some fifty points heard from, it is possible to get some idea at least of the conditions.

The crop got away to a good start and there was a very general rain on May 14, and this was followed by the hottest weather that the West has experienced in May since 1886, and the crop made rapid growth—at least the wheat did. The heat made the seeding of oats, barley and flax hard work, and by the time the last sown were in the ground the heat had dried the land to such an extent that germination in late fields has been spotted and development slow. On the 28th of May the Red River valley and large portions of Northern Manitoba, and both North and South Alberta got considerable rain, but the southwestern portion of Manitoba and practically all of Saskatchewan got very little, in so far as it was possible to ascertain through the interrupted telegraph.

Grasshopper Plague

With the beginning of June came reports of cut worm damage, especially to oats, and a more serious menace along the southern border, that of grasshoppers. A personal inspection by the writer showed that the hoppers were out in millions in some of the districts, many of them not more than a quarter inch long, mainly brown in color. The week of June 1 to 7 they were eating patches of from a half to a quarter acre in extent over an area extending from Deloraine in Manitoba, to nearly the Soo line in Saskatchewan and north. From 30 to 70 Government experts, both Dominion and Provincial, the Departments of Agriculture, and the municipal council attack the problem vigorously, and the reports received to-day would indicate that the plague is being overtaken, though as yet it is impossible to state what the damage will

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CANADA'S FOREIGN TRADE UP TO MANUFACTURERS

Continued from page 1.

and I named Manitoba No. 1 Hard. (Applause). Venizelos thought it over for a few days. Then he came back to me saying he would make the contract with us to supply their requirements in wheat. Then rose the question of ships to convey the wheat. Not having any ships in my pocket, I started looking around for some somewhere else. I discovered about 75,000 tons of Greek shipping in control of the economic council, and the upshot of it was that we came to an arrangement that if Greece were to enter into this contract with Canada for wheat we should get the use of some of these ships. This means, gentlemen, that about 25,000 tons of Greek shipping will be coming to and from Canadian ports in the next year.

Trading Goods for Goods

"The financial situation is such that it would be advantageous to get back to a system of trade and barter. We have been trying to get trade affairs out of the hands of Government departments as much as possible, and we have come to the conclusion that the only thing to do is to force trade back as soon as we can into the natural channels. We have done much in this direction, but I have come to the conclusion that we cannot do for you what you ought to do for yourselves. If the business over there is not worth your going after, then it is not worth our attention either. Now there is in Southern Russia an immense territory open for supplies of nearly everything that Canadian manufacturers are making to-day. They want an immense amount of stuff, but they have not any money to pay for it. They have, however, an enormous amount of materials which they are ready to "swap" for Canadian manufactured goods. Some of these materials they have are things which already come into Canada because they are wanted here. Many other kinds of goods are readily marketable elsewhere if not in Canada. I am going to enumerate a few of them, and would mention that the measurement of quantity used in that country is the 'pood', which is thirty-six lbs. avoirdupois. Here are some of these materials which are available in Southern Russia in exchange for Canadian manufactured goods:

They Have	They Want
Hides	Textiles
Potash	Woolen Goods
Cement	Garments for Men
Tobacco	Garments for Women
Wool	
Bristles	Cotton Thread
Sausage Casings	Brace Bits
Dried Blood	Automobile Tires
Licorice Root	Rubber Goods
Oak Staves	Surgical Goods
Horse Hair	Technical Goods
Sheep Skins	Agricultural Mach'y
Cattle	Medical Supplies
Benzine	Carpenters' Tools
Crude Oil	Lathes
Lubricatnig Oil	Sausage Grinders
Axle Grease	Paints and Oils
Alcohol	Saws of all kinds
Manganese Ore	Office Furniture
Iron Ore	Binder Twine
Wine	Belting
Champagne	Railroad Equipment

Mr. Harris read the list, mentioning quantities required in some cases, though this information he desires to retain for the present in regard to certain lines of goods in the interests of Canadian trade. Proceeding, he said: "Gentlemen, this is a tremendous list. The quantities are so large that in some cases it will be absolutely impossible for us to supply the goods in the amount called for. The railroad equipment required alone requires a schedule to list it longer than the rest. Now the men here who can supply these goods will have to get in touch with the people who want these goods on the other side, and develop an organization to get these goods exchanged for the Russian commodities at the Black Sea ports.

Manufacturers Not On Job

"I am just mentioning this to you and urging it upon you, for if we ever showed resourcefulness in Canada we ought to show it in this and day.

"One thing that has impressed itself on my mind and on the minds of my whole organization in London, is the fact that we in Canada are so totally unprepared and so absolutely uneducated in this great question of export trade. We set up our organization in London, and we have a very live organization. We are anxious to do everything we can for every Canadian coming there, with the exception of handing him out the orders on a silver plate. Now what I am going to say is a little critical, but I want it to do good. Did you ever send a man out to do business for you without a catalogue? Without prices? Without samples? When we first opened up in London, I don't think more than a few firms sent us a catalogue. We had not any prices. Only a few firms were able to give us the information we were fairly flooded with requests for on our arrival. Gentlemen, you cannot do too much to send us catalogues and information of all kinds. Send representatives over with full knowledge, and with full ability to act, and with full particulars as to prices. Where companies cannot do this individually let them co-operate and send their representative for the group of their industries.

The Sort of Men to Send

"Immediately after my arrival over there a representative of one group of important Canadian industrial interests was right on the ground. I refer to the woollen industry. They sent a very live man over there. I think his name was Carley. Gentlemen, let me tell you that if I had twelve, or fifteen or twenty Carleys over there I could do wonders for you. I could do things for Canadian industry that would raise your hair. This man had his samples and his prices, and he could tell you exactly what he could do. The result is that the woollen industry of Canada is amongst the industries that are very busy to-day.

"Later on one or two other companies sent representatives, and as a result they also are doing well. The cotton industry came along, not individually but, I think, grouped. As a result they discovered that we are producing cotton cheaper in Montreal now than in Manchester! They have got business as a result. The paint and varnish industry came over. Ramsay came over, and they got more business than I think they ever expected. You men who were sitting back here thinking there was nothing to be got, that the British firms were getting all the business, have got a great deal to learn,

Boot and Shoe Opportunity

"The boot and shoe industry has an immense amount to do over there. The boot and shoe industry is represented here by a number of separate firms. If that industry sends its representatives across there there is an immense amount to do. The quality of the Canadian boots and shoes is actually higher and the prices are more advantageous than those that have been offered from elsewhere, but of course the style of the goods has got to be what the people in these countries want. If we make boots and shoes in this country that suit Canadians, that is no reason for thinking that therefore they ought to suit others also."

Opportunities Missed

Here Mr. Harris read a number of notes made by members of his staff in London, showing how through delays and lack of information many good business opportunities had been missed. In the boot and shoe industry he had asked by cable for prices in April. They did not commence to arrive till May. By that time the chance was past. The orders had been placed. Prices on cream separators were cabled for on March 14th. They did not arrive till the end of March and catalogues did not come till April. By that time the business was gone elsewhere. In connection with dairy utensils though it was pointed out swiftly that the prices for these were higher in the United States than in Canada the opportunity was not seized through slow action.

"Canadian firms seem to be slow in attending to their correspondence," was the charge made by Mr. Harris. "The United States firms have a regular system of prompt replies and swift follow-up work. Canada has a preference at present. This cannot continue. If the representations of the customers who need the goods bear on the authorities much longer they will have to allow the necessaries in from other sources more easily.

No Sharp Practice

Referring to the system of having a representative taking care of the business of a group of manufacturers getting export orders for Europe Mr. Harris instanced with a touch of contempt the case of a representative of this kind who had been quoting the prices set by his group for goods, but secretly underbidding them on behalf of his own concern, which was one of the group. "Gentlemen," said Mr. Harris, "we are out to play the game in this. That sort of thing does not reflect to the credit of Canadian export business."

Mr. Harris gave another instance where a firm had been notified of a need for a product of theirs made in Canada. They had wired asking what the people would be willing to pay for it. Here Mr. Harris waxed impatient for an instant. "If a man has got stuff to sell, surely to goodness he ought to have a price to put on it," he exclaimed. "Asking what price is offered! How can we tell what price they are offering? They are not offering any prices at all. They are merely out for goods, and want us to quote our prices for them."

Federation of Industries

After promising that a member of his staff might be over at Christmas with plenty more to say on these lines Mr. Harris went on to refer to the Federation of British Industries, the very strong association formed by British manufacturers. He said he had had many talks with representatives of this body, and said, "I think it would be a good thing if the Canadian Manufacturers' Association and this group of British manufacturers were to become associated in some way. The British manufacturers have to buy a great deal of raw materials. Some of us are producing a great many raw materials and want to sell them. And Canada on the other hand is importing and can use a great many semi-finished materials which can be interchanged it may be.

Get Exchange With U. S. Down

"One of our greatest problems today is that of the exchange rate with the United States. Keeping that exchange rate right is a hard task. It would be sounder business for us if we kept our purchases in United States nearer equal to their purchases here. Personally I would like to see our trade and our merchandise diverted to a great extent to Great Britain. We want to make this preference work out to an Empire proposition if we can. I think there is going to be quite a movement on the part of British firms in the establishment of branches in Canada.

Canadian Trade Mark Needed

"One thing we want to do, and particularly in connection with foreign trade, is to establish our own particular trade mark, our peculiar design recognizable everywhere as Canada's, and we want to be sure that everything which goes out of Canada with that trade mark on it shall be up to standard not only to secure the sale of the goods, but to uphold the reputation of the manufacturers of the country behind it."

"You see that this whole question of export trade for Canada is one that is surrounded with many difficulties, but the ground ahead for it has been paved for it by men whom we sent out in the Great War. The reputation that now belongs to Canada they won, and the business of continuing that reputation depends entirely upon the rest of us who have in our hands the future development of our industry and commerce. The people of Europe realize that Canada went into the war not for territorial gain or for any other gain, but simply to aid in freeing them from the heel of Prussianism. The choice is open to Canadian manufacturers to reap the benefit of their appreciation. I have a great deal of confidence in Canada. The experience I had in Washington showed me that we can tackle a job a good deal better than our friends across the border to the South, and the bigger the job the better."

In conclusion, after referring to immense advantages that would result if the manufacturers of Canada would arrange for London a small room of exhibits of small products to be shown as samples to enquirers as representative of all that can be produced in this line in Canada, Mr. Harris expressed the broad sentiment that while he was greatly enjoying the opportunities he had of aiding business for the Canadian manufacturers, this was not the whole spirit of his mission. "I am over there also," he said, "for the whole people of Canada."

FISCAL FUTURE OF CANADA AND U.S.

Each Nation Has Similar Problems of Finance and Taxation

NEW YORK.—In reviewing the Canadian budget presented by Sir Thomas White there are many features which appeal to Americans as indicating conditions analogous to those prevailing in this country. The per capita debt of $200 is regarded as not being in excess of what that in the States will be. The "Wall Street Journal" thus refers to the situation faced by both nations:

> Each country faces a fiscal future, which cannot be built up on comparisons with the past. Each nation becomes a country with a burdensome war debt. But in each value levels have so risen that what would have loomed up as mountainous difficulties in 1914, will yield to judicious financing, timed to meet the changing moods of consumptive prices.
>
> Democracies do not thrive on large national debts. These call for too great interference with the personal freedom of the individual. They necessitate too much regulation of business through taxation. These two democracies are too virile, their growth is too rapid to justify any apprehension, either as to their economic future or the control of that future externally or internally.
>
> Canada's per capita production stands unrivalled. The manufacturing output of the Dominion cannot but share in our own which now reaches well above $30,000,000,000 annually. The business methods making these things possible originated in conditions immediately preceding the war. The simple, homely devices of taxation then in vogue were a survival of a period of Colonial antiquity. The discharge of a world debt has hastened the day of onerous tax systems and some blending of the borrowing with impost methods, in both countries.
>
> It is pleasant to dream of the past, but to deal with the present and challenge the future is to earn the profit of courage and the honor of the world's confidence. This Canada will do. This we will try to do.

EAST AND WEST EMBRACED IN BULMAN ADDRESS

Retiring President of C.M.A. Takes Broad View of Tariff Issue

PUBLIC OWNERSHIP

Manufacturers' Opposition to Larger Railway Control Likely to Have an Unfavorable Effect

Tariff revision in Canada was advocated in the annual address of President Bulman, of the Canadian Manufacturers' Association, in his retiring address. In this attitude his views accorded with those which THE FINANCIAL POST has been expressing and they came fittingly from a resident of Winnipeg, a city located between East and West, where manufacturing and agricultural interests are uniquely blended. Further they appeared to find general favor with the manufacturers present, particularly those who appreciate that under existing conditions public opinion cannot be successfully defied by any faction or interest. For many months war and other conditions have been playing tricks in the world of business and economics and any intelligent policy of dealing with the tariff must necessarily embrace more comprehensive information as to the interests involved than is now readily available. Mr. Bulman's views on this point were expressed as follows:

> This association believes that we need a tariff revision in Canada. The tariff has not been revised since 1907, and there never has been a scientific and thorough revision of the tariff in this country. The conditions of industry should be thoroughly investigated and analyzed by a competent body, say a tariff commission, acting in an advisory capacity to parliament, and this commission should consist of properly qualified men rather than representatives from any particular class. The only tariff which will suit Canada is one which will prove beneficial to the greatest number of people in Canada.

Mr. Bulman's broad views on the tariff question were not shared by the Tariff Committee which took a definite stand against the free trade element in Western Canada. It is indeed to be seriously doubted if such declarations as this and as that opposing further Government ownership of railways will have ultimate good in their effect upon public opinion. On such questions it is generally understood where the Association and its members stand and to go on public record does not aid in allaying the public attitude of resentment against what the people are misled to believe are a privileged class. In better spirit was the endorsation of the Government's appointment of an Industrial Relations Commission on the grounds that the interests of employer and employees are mutual; the Association will give the Commission its every support.

The Association endorsed the action of American manufacturers in opposing the adoption of the metric system as opposed to the British system of weights and measures, particularly at this time. It is being argued that the move is one in connection with propaganda to introduce German methods. Some of the other resolutions endorsed the Government's programme in connection with technical education, asked the Government to restore the tariff on tractors and thus dispense with a war measure, recommending the punishment of those guilty of trying to undermine constitutional Government, recommending the appointment of a C.M.A. representative overseas, endorsing the work of the Commission of Conservation, urging legislation to prevent strikes of civic employees, etc.

Association's Growth

The year has seen a considerable increase in membership to a total of 3,530. At the same time the work of the organization has greatly expanded, requiring greater expenditures. An increase in fees is therefore proposed. The Association has disposed of its surplus and if the present policy is followed there will not be any further surpluses for some time at least. The officials consider that they can give best service by spending the entire income.

The officers elected were as follows: President, R. P. Howard, the Phoenix Bridge and Iron Works, Ltd, Montreal, Que.; 1st vice-president, J. S. McKinnon, S. F. McKinnon & Co., Ltd., Toronto, Ont.; 2nd vice-president, W. S. Fisher, Enterprise Foundry Co., Sackville, N.B.; treasurer, J. F. Ellis, Barber-Ellis, Ltd., Toronto, Ont.; auditor, Wilton C. Eddis, Wilton C. Eddis & Co., Toronto, Ont.

THE MARITIMES MAKE CHARGES OF DISCRIMINATION

Delegation of Business Men Lay Case Before the Government

RAILROAD RATES

Demand That I.C.R. Rates Should Not Operate Unfavorably to Eastern Manufacturers and Merchants

By Resident Representative.

OTTAWA.—The people of the Maritime Provinces have a strong and growing feeling of resentment over the disadvantageous position which they consider they occupy in the Dominion, a feeling which is growing so strong that there is quite a considerable movement down there now in favor of a maritime union, in order to strengthen maritime interests when in conflict with Upper Canada and the West.

This was the sentiment expressed by a delegation of about twenty members of the maritime section of the Canadian Manufacturers' Association and of the Maritime Province Boards of Trade, who have been in Ottawa this week to impress their sentiments on their Federal representatives and through them on the Government. In their estimation the last straw was laid on when the head officers of the I. C. R., now incorporated in the C. N. R., were removed from Moncton to Toronto. Henceforth rates on that line will be fixed by the traffic department of the C. N. R., with an appeal to the Railway Board and finally to the Governor-in-Council, but the chairman of the board has already ruled that rates must be on a mileage basis; and that the delegation here this week protests against.

The I. C. R. was a part of the pact of Confederation, built primarily for the Maritime Provinces, and its rates must be framed so as not to discriminate against their industries, which have already heavy competition from Ontario and Quebec.

Ask Rate Equalization

In company with their members they waited on the Government, Mr. Hanna, of the C. N. R., also being present, and urged that rates should be thoroughly gone into and a fair deal assured the Maritime Provinces by an equalization of export freight rates from the Maritime Provinces to Montreal in Summer, and to Halifax and St. John in Winter. The commodities most affected are sugar, coal, lumber, pulp and steel. They protested against the principle of a mileage basis irrespective of geographical situation.

Their representations were backed up solidly by all the members from the Maritime Provinces, but it is understood that they received no assurance and not a great deal of encouragement.

—T. M. F.

CONDITIONS IN VANCOUVER

Trade Unsettled Regarding Prices—Strike a Factor

By Special Correspondent

VANCOUVER.—With the signing of the armistice and for a couple of months thereafter, commercial life in Vancouver took on a much more active appearance, bank clearings went ahead, and a generally optimistic air was everywhere in evidence. Latterly, however, while business is keeping up well, merchants are decidedly hesitant about buying any great stocks until labor conditions show more hopeful signs of becoming adjusted and there is no possibility of further hostilities in Europe.

There is a distinct difference of opinion on the part of merchants who have paid visits to the big Eastern markets as to the trend of prices and trade. Two retailers recently returned frim the largest clothing markets in the States and Canada were a unit in saying that while clothing prices had been steadily advancing for many months, the top had not yet been reached, and that this Fall would see the highest prices yet for Winter stocks On the other hand a wholesaler returning from England and the East, says that price tendencies are lower, and that in clothing, for instance, the buyer would be wise to wait until Autumn when lower quotations will be ruling. All of this has had an important bearing on buying activities on the coast.

Labor is giving its share of worry to the "capitalists," as termed by the working class. Up to the present it is not considered likely that there will be any great disruption to business on account [illegible] the strike in Vancouver, it being fairly well known that the unions [illegible] not united on the subject.

That the Canadian National Railway [illegible] intend to go on with the line from [illegible] to Niagara is shown by the purchase of the old Sun Life building, Hamilton, as an office.

QUAKER OATS FIRE

Loss of Half a Million Dollars at Saskatoon Plant

A serious fire in the Saskatoon plant of the Quaker Oats Co. has resulted in a very serious loss, that is estimated as high as half a million dollars. This is not entirely a matter of plant, 50,000 bushels of grain stored in the destroyed crib elevator making up part of the loss.

This is the second serious fire that has visited the firm within comparatively recent date, the Peterborough plant having been practically destroyed only a little over a year ago.

It is understood that the company will immediately begin building the destroyed elevator, and in the meanwhile the other units of the plant there are again in operation.

MUST PAY UP SHARES OF DOMINION TRUST

Finding of Supreme Court is Against the Holders of Stock

VANCOUVER.—In Supreme Court Chambers some ninety shareholders of the Dominion Trust Company were given four days in which to pay up a balance of $45,000, due on share payments. The amount would have been much greater had not a large number of shareholders, realizing their position, settled earlier with Liquidator Gwynn. The court order provides that upon expiration of the four-day order judgment may be taken against those defaulters who have not met their obligations.

This week's order marks the end of a fight against the shareholders, which has been in the courts for more than three years. Originally the shareholders were made contributories to the Dominion Trust Company liquidation, but on appeal they were successful in establishing the contention that tney had not changed their shares from the Dominion Trust Co., Limited, which was the original style of the company. The liquidator expects to realize about $50,000 for the liquidation.

ELECTRIFICATION NEEDS BIG TRAFFIC

Some Technical Reasons Why Steam Roads Present Important Advantages

In view of the agitation for the electrification of steam railways in Ontario to provide a market for the Hydro Commission's new development interest attaches to a discussion of the subject in "Conservation," which is issued by the Canadian Commission of Conservation, and which brings up the oft-asked question: "Why are not more of our railways electrified?" It is pointed out that Ontario and Quebec, abounding in water powers from which cheap hydro-electric energy can be made available wherever required, are coalless and the coal necessary to operate our steam roads in these, our largest provinces, has to be hauled long distances and almost all of it has to be imported from the United States.

In view of these facts it would seem at first sight hard to explain why all our railways, at least within these provinces, have not already been electrified. Although electric tramways and interurban electric railways have rapidly developed in our thickly populated districts, yet the electrification of heavier traffic roads has been confined mainly to very short distances in connection with operations imposed by special conditions, such as the Montreal terminal and Mount Royal tunnel of the Canadian National Railways, the St. Clair tunnel of the Grand Trunk, and the Detroit tunnel of the Michigan Central.

An explanation is found in the fact that, although electricity fills every requirement of railway service, the problem of electrification is not one of mere ability to secure cheap power but is governed rather by the volume of traffic or amount of power necessary to operate the line. To use electricity, a large investment in equipment and installation must be made and this is little less for sparse than for dense traffic. Electrification has so far proceeded slowly, even in the United States, because railroad executvies were not convinced that the advantages to be gained are always worth the cost. From their angle it is purely an economic question with hte amount of traffic as the principal factor. But, for us, there is also a national aspect in that it means substituting the utilization of our own water-powers for the importation of foreign coal.

The Hydro-Electric Power Commission has taken over from James Battle, of Thorold, his electric plant and transformer station and the contract he held for approximately 1,000 horse-power. The Hydro paid $100,000 in four per cent. bonds.

PROSPECTS FOR STEEL ORDERS ARE INCREASING

Rail Orders Being Placed; Also Some Foreign Business

AMERICAN SITUATION

Improvement Has Recently Held on the Market, But There Has Been Little Further Progress

By A. R. KENNEDY
Editor "Canadian Machinery"

It is not an easy matter to state just how much or how little business is going through the steel market at present. Inquiries are numerous, but inquiries do not make dividends until they are converted into orders. The prospects for business in the Canadian mills are increasing. Rail orders are being placed for the national roads, and a certain amount of foreign business is also on order at the same mills. The railroads are also in the market for large orders of plate, but this means nothing to the Canadian mills as the business goes across the line.

Pittsburgh Puzzled

Pittsburgh is trying to find out just what there is to the reported increases in business. According to information to THE FINANCIAL POST the improvement in the steel market, which began say May 10 or May 15, has held its own in the past week, but has hardly made any further progress, as relates to actual tonnages booked. The present rate of buying is about the same as for a couple of weeks preceding. It can hardly be said that steel prices are any firmer, but they are not noticeably weaker. There have been some slight declines in pig iron. With another week of better buying however, there is a better general tone to the market, and men are more sanguine as to the future.

The steel market is about to be subjected to a crucial test. Except under very abnormal conditions, July and August are very dull months as to steel buying. When fundamental conditions are particularly strong the market rides right through July and August, gaining rather than losing. That is what it did in 1915. If the steel market should increase in activity as the midsummer period aproaches, and during the midsummer period, it would be absolute proof not only that the recent increase in activity represents the incipient stages of a great market movement, but also that the movement is to be a rapid one, producing full mill activity within a few months. Observation of the past few days, however, seems to indicate that the market is not going to do this. No further increase in buying is perceptible, and in July buying may taper off somewhat, the movement to be resumed in the fall.

The trade seems satisfied that prices are not going to sag any more. Were such a thing going to happen it is held that it would have become a reality as soon as the first fair-sized order appeared after price control was removed.

The one remaining sign of hesitancy in the market just now is that much of the steel business is placed on something approaching an emergency basis. Deliveries are desired on very short notice, indicating that buying for stock, which it was hoped was being revived, has not yet developed to any great extent.

EXPORTS TO BRITAIN

Restrictions on Shipments to United Kingdom Removed

OTTAWA.—A cablegram from the Secretary of States for the Colonies to the Governor-General of Canada, dated June 4, says, referring to the cablegram of March 12 announcing the removal of all restrictions on the importation into the United Kingdom of goods, the manufacture of British Dominions, except in the case of gold and spirits other than brandy and rum and hops, the Board of Trade has decided to accept as produce or manufacture of the British Dominions, goods which owe at least 75 per cent. of their total value to Dominion or Colonial labor and materials. It is not contemplated, however, that so high a percentage should be applied for the purpose of preference. This means that, in order that Canadian manufacturers may enjoy the privilege of exporting goods to the United Kingdom free from the restrictions imposed on the manufacturers of foreign countries, they must make a declaration in each case that 75 per cent. of the total value is due to labor and materials of Canada, or some other part of the British Empire.

New York life insurance companies in New York subscribed for $63,000,000 Victory Loan bonds. Life insurance men took 48,000 subscriptions aggregating $83,896,950.

RAILROAD EARNINGS

For the first seven days of June gross earnings of the three Canadian railroads amounted to $5,404,844 as compared with $5,276,248 for the corresponding period in 1918, an increase of $128,596 or 2.4 per cent. Canadian National Railways, with a total for the week at $1,328,547, reports a decrease of $89,220. Comparative figures follow:

C.P.R.	$2,957,000	$2,846,000+	$111,000	3.9
G.T.R.	1,119,297	1,012,481+	106,816	10.5
C.N.R.	1,328,547	1,417,767—	89,220	6.3
	$5,404,844	$5,276,248+	$128,596	2.4

For the first four months of the year the Grand Trunk Railway showed gross earnings amounting to £3,978,300, an increase over the same period in the previous year of £1,092,100, while net earnings amounted to £117,200.

GOOD WEATHER FOR DOMINION CANNERS

Crop Prospects Are Much Improved by Recent Higher Temperatures

The continuance of favorable growing weather, which, unless something very unforseen should occur, assures a very satisfactory crop of cannery products, puts the company in a good position. Several years recently the company has started handicapped by poor crops, due to early frosts. This year the conditions could not have been better, and it is generally anticipated that a good pack will be obtained. Of course the company is faced with very heavy costs. Contract prices on fruit and vegetables are abnormally high, and labor conditions are very difficult. The canners are also faced with the possibility of not getting sufficient stocks owing to the farmer not being able to get the help to pick the fruit. On the whole, however. the indications point to a successful year, as far as it is possible to foretell at this early date.

COLLECTING INCOME TAXES IN CANADA

R. W. Breadner Replies to Criticisms Made in House of Commons and Elsewhere

By Resident Representative.

OTTAWA—In Parliament and elsewhere frequent criticism is made of the manner in which the income tax is collected, as well as the amount of the tax as compared with the United States and Great Britain. In connection with the first criticism, for example, A. R. McMaster, financial critic of the Opposition, stated in his budget speech that the tax had not been properly collected. To such criticisms R. W. Breadner, the tax and tariff expert of the Government, makes a strenuous denial, and produces figures and explanations:

"There has been no country collecting income taxes where they made anything like the showing in the first few years that we did in the first year in Canada. There seems to be an impression in the minds of some people that all the tax bills can be sent out at one time; but it must be remembered that the taxes are based on assessment, and this is a slow procss which must be carefully conducted from returns, which are necessarily slow in coming in where you have a system which is new to the people. Assessments must necessarily be a year or more late in many cases. Take corporations, for example, where their year closes December 31st; there will always be some time, perhaps months, before we can get proper returns. I have in mind a manufacturing firm which issued a statement only the other day, showing large profits for the past year. Now their year ended March 31st, and their returns came in to us only the other day. We have had hundreds, if not thousands, of requests to delay the date for filing returns until April 30th, owing to the difficult such firms experience in getting financial statements from the auditors."

"In the matter of exemptions, in the 1916 year in the United States, and the 1917 calendar year in Canada, the exemptions were the same, i.e., three thousand dollars for married people. An extract from the United States regulations on the subject will be sufficient to show the incorrectness of the statement that 'the Canadian taxes on the incomes of the well-to-do are still far short of the corresponding rates' in that country.

"For the calendar year 1918 (corresponding to our year 1919) 12 per cent. of the amount of the net income in excess of the credits (exemptions) provided in Section 216; provided that in the case of a citizen or resident of the United States the rate upon the first four thousand of such excess amount shall be six per cent."

"For each calendar year thereafter eight per cent. of the amount of the net income in excess of the credits provided in Section 216; provided that in the case of a citizen or resident of the United States the rate upon the first four thousand of such excess amount shall be four per cent."

The British Board of Trade announces that it will no longer be necessary for exporters to obtain licenses from the Export License Department before shipping to the territories on the left bank of the Rhine in the occupation of the Associated Governments goods other than those included in List A and B of prohibited exports.

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WAR BOND RISE FEATURES THE WEEK'S MARKET

All Dominion Issues Have Registered Substantial Gains

STOCKS ARE QUIET

Influence of New York Weakness Has Its Effect on the General Stock Markets in Canada

Marketwise, the important feature of the week has been the activity in Dominion war bonds, which has carried the price of all issues to new high levels. On the exchanges transactions have been relatively heavy, though it must be remembered that dealings through this medium from but a small fraction of the total business being carried on by the financial houses. There is no question that the cause of the present movement is directly attributable to Sir Thomas White's announcement of an increase for 1920 in the income tax rate. With this levy on the rise, a good many people are becoming more appreciative of the advantages enjoyed by holders of tax-exempt bonds, and are putting in orders for more of them.

Some idea of how these bonds have risen in value may be shown by quoting the high prices realized in April, May and June on the Toronto and Montreal exchanges.

		April	May	June
1922	Victory	100¾	101	102½
1923	"	100¾	101	102⅛
1927	"	103¼	102½	105
1933	"	105	104⅞	106¾
1937	"	106¼	106¾	107¾
1925	5 per cent.	99½	99¼	101
1931	5 per cent.	99⅝	99¾	101¼
1937	5 per cent.	100½	101	102¼

The General Markets

Apart from the movement in Victories, the stock markets have been rather soft, largely in sympathy with the reactionary character of the New York market. Transactions have been on the light side; and prices have shown a tendency to weaken. The Canadian business situation, however, is satisfactory; labor difficulties are gradually improving and there is a good deal of activity in industry and trade. Building operations are showing steady expansion with a number of important projects in prospect.

The mining market has been rather prejudicially affected by strike developments in the North. It appears as if the trouble would be largely confined to the Kirkland Lake Camp, where the men walked out on Thursday. The various Kirkland Lake stocks have sold off as a result, but other stocks have stood up pretty well against the unfavorable news. It is believed that matters will be cleared up pretty soon.

The U. S Market

Referring to the setback early last week, which was attributed to apprehension, influenced by a suddenly high money rate, J. S. Bache & Co. believe that only a market provided with strong foundations could have passed through the phase without a break of more serious proportions. There was a resumption of the upward movement, but—

"The situation is now unquestionably less secure than it has been. The rise in prices, which began some time since under the stimulus of investment buying, carrying advances to a point where the general public became interested and finally rushed in, creating a general speculation for the rise, has now changed its character and is being carried forward almost altogether on the speculative influence in which all arts of manipulation permitted are being used.

"Loans, in the meantime, have risen very heavily, and while not yet at the level where bull markets in the last two or three years have broken are undoubtedly approaching these levels. Increase in prices has been extremely irregular—some stocks selling at comparatively enormous advances. This may be due to the fact that strong holders with large incomes are deterred from selling on account of the necessity of turning over to the Government an excessive proportion of the profits which would be thus realized. Consequently, prices in some stocks, which should long ago have halted, have continued to rise, because the original buyers are barred, for the reasons above stated, from taking their legitimate profits. These stocks have become somewhat like observation balloons that have lost their anchorage."

Business Across the Line

In their latest business review, the National City Bank gives quite an optimistic view of the general situation. They say:

"The signs of business improvement which were visible in April became more pronounced in May, and at the beginning of June the doubt and pessimism which prevailed in mid-winter about general trade and industrial conditions has mainly disappeared. Nobody is any longer apprehensive of a sudden and heavy slump of merchandise prices, for it has been demonstrated that in most staple lines of goods of direct consumption the demand exceeds the supply. The reports of clearing houses and Federal reserve banks show that the volume of payments through the banks is greater than a year ago or at any previous time. Reports from the industrial centres indicate that the demand for labor is increasing, and that there is more talk about a prospective labor shortage than of unemployment. In all agricultural districts, but particularly in the South, there is a demand for men on the farms.

"The prices of foodstuffs are now above the level of a year ago or of last year, and this fact is generally accepted as establishing existing wage scales for the present. If reports are correct as to the low production in prospect this year in eastern Europe and the demand for food which will be made upon Amreica throughout the year to come, there is small chance for a lowering of prices. This is the strong factor in the price and wage situation in the United States."

DETROIT RAILWAY

The strike did not have any marked effect on the market for Detroit Railway. There was a temporary decline, but a quick recovery and at 107½ on Thursday the best price of the present month was recorded.

MEXICAN POWER

The first transaction recorded in Mexican Light & Power in many months indicated a price of 18 for a small block of shares. This stock sold at 76½ before the war in 1914.

AMES-HOLDEN TIRE CO.'S ISSUE OF $1,000,000

First Mortgage 7% Bonds Will Build Kitchener Factory

$2,000,000 COMMON

With $1,000,000 Left in Treasury—No Rubber Footwear This Year — Guaranteed by Parent Company

By Resident Representative.

MONTREAL.—A rapid development is taking place in connection with Ames, Holden, McCready, Limited, and the new tire company that it has organized, the Ames, Holden Tire Company. THE FINANCIAL POST learns that an issue of bonds amounting to $1,000,000 will shortly be offered for sale by a syndicate of Montreal bond houses, of which Greenshields & Co. will be one, in the form of 20-year first mortgage sinking fund gold bonds, bearing interest of 7 per cent. The price of these has not yet been decided. These bonds will carry the guarantee for payment both of principal and interest of Ames, Holden, McCready.

Issue of Common Stock

There will be no preferred stock in connection with the Ames, Holden Tire Company, but a common stock of $3,000,000 will be authorized and $2,000,000 of this issued. One of the arguments in support, both of the offer of bonds and the common stock subscriptions, will be the very rapid and substantial development of the tire business in Canada, due to the steady increase in the buying of automobiles, which numbered about 50,000 in Canada in 1913, and now exceed 269,000. The tire companies have prospered here, and with T. H. Rieder, the new head of Ames, Holden, McCready, occupying the position of president and managing director of the company, the prospects are held to be bright for the new company.

Plant in Kitchener

Mr. Rieder confirmed to THE FINANCIAL POST the despatch that appeared at the week-end from Kitchener, Ontario, stating that he had secured a site for a new tire factory there. It is learned that about $1,000,000 will be expended on the Kitchener plant, and the new company will be ready to make deliveries during the season of 1920. The statement has been made that Ames, Holden, McCready were going to establish a rubber footwear plant in Montreal. This cannot be done for a couple of years at least, as a contract with the Canadian Consolidated Rubber Company covers this period. After that period, however, it is probable developments along that line will be carried out.

Large Profits

The annual meeting of Ames, Holden, McCready will be held on Thursday, June 26, at which a large increase in profits will be shown for the year. No decision has been reached in regard to the deferred arrears in dividends, but a start in some form is expected to be made soon. The preferred went ex-dividend on Thursday and closed 86½ bid, representing 88¼. Greater interest is being shown in the stock of late. Buying in the common continues between 43-45.

STATUS OF NORTH AMERICAN PULP

Effect of the Creation of the Saguenay Pulp & Power Co. Explained

As some confusion has arisen among shareholders of the North American Pulp and Paper Companies' Trust as a result of the creation of a new holding company, the Saguenay Pulp and Power Company, THE FINANCIAL POST made some inquiries into the new relationship thus established. The impression secured was that gradually the existence of the North American Pulp Co. as a separate entity would cease, and the holdings of its shareholders be transferred into shares of the Saguenay Company. This would mean the survival finally of a Canadian-controlled organization, in place of the North American, which has powerful interests connected with it in the United States.

Nominally, while the North American Pulp Company "holds" the Saguenay Company through 4,100,000 shares out of a total of 6,500,000, and with a large interest in the preferred stock, it is learned that before the final settlement in connection with the $5,500,000 issue was made, it was stipulated that the interests behind the bondholders should control the board of the Saguenay Company. This will be done through a sort of voting trust, vested in the Crown Trust Company, giving the right to choose five out of the nine members of the board. This right is to continue for ten years.

The president of the new company will be Senator Beique, who will represent, among others, interests of the Banque d'Hochelaga. It is probable that J. E. A. Dubuc, president of the North American Pulp, will continue to manage the subsidiary companies, the Chicoutimi Pulp and others, whose bonds and shares are security for the bond issue.

While, in one sense, the North American Pulp will be one degree removed from the operating companies as compared with its previous position, the new conditions will materially improve its prospects. What the effect will be on the stock price is problematical at this moment.

DULUTH-SUPERIOR

Gross earnings of the Duluth-Superior Traction for the month of May totalled $161,349 against $141,325 for the corresponding period in 1918, an increase of $20,114 or 14.2 per cent. For the year to date the earnings amounted to $769,374, an increase of $74,399 or 10.7 per cent.

BRAZILIAN TRACTION

The earnings statement of the Brazilian Traction, Light and Power Company, for the month of April shows gross earnings amounting to 9,208,000 milreis as compared with 8,330 milreis for the same month in the previous year, an increase of 878,000 milreis. Operating expenses at 4,112,000 milreis were lower by 127,000 milreis, while net earnings amounting to 5,096,000 milreis, compared with 4,091,000 milreis, a gain of 1,005,000 milreis.

The aggregate gross earnings for the first four months of the year were 35,032,000 milreis, an increase of 3,456,000 milreis and aggregate net at 18,256,000 milreis showed an increase of 2,979,000 milreis. Following are comparative figures for the four months:

1918	Gross	Net	Net inc.
January ...	8,522,000	4,283,000	587,000
February ...	7,972,000	3,864,000	299,000
March	9,330,000	5,013,000	1,088,000
April	9,208,000	5,096,000	1,005,000

DOMINION GLASS

Dominion Glass was again strong on the market this week, selling up from 55 to a high of 61 and retaining the bulk of the gain. This stock was selling around 45 when the "wet" vote in Quebec attracted attention to the possibilities of the bottle industries in relation to brewery activities.

NEW ISSUE

We Offer the Unsold Balance of

$875,000.00

Clarke Brothers, Limited

(Incorporated under the Companies Act of the Dominion of Canada.)

7% FIRST MORTGAGE BONDS

Dated 1st April, 1919 Due 1st April, 1921 to 1930

Interest payable 1st April and 1st October at Royal Bank of Canada, Toronto, Ont., Montreal, P.Q., Bear River, N.S., or New York, U.S.A.

Principal payable at Montreal Trust Co., Halifax, N.S., and Royal Bank of Canada, New York.

Denominations: $500

Bankers: The Royal Bank of Canada. Trustees: Montreal Trust Co.

CAPITALIZATION

	Authorized.	Outstanding.
7% First Mortgage Bonds	$1,000,000	$ 875,000
Common Stock	1,500,000	1,500,000

This issue of 7% First Mortgage Bonds is secured by a Mortgage to Trustee for Bondholders covering all present and future real estate of the Company and as a floating charge on all assets, present and future, of the Company.

Purpose of Issue

To erect on the property of the firm of Clarke Brothers, Limited, of Bear River, Nova Scotia, a Sulphate Pulp Mill of thirty tons per day capacity, an additional Saw Mill of thirty thousand feet per day capacity, to enlarge the capacity of the Hardwood Mills already in operation, and install larger Ship Repair Blocks and Dry Dock.

Established Business

Clarke Brothers have an established business of over forty years' standing, which includes the manufacture of spruce and pine lumber, sashes and doors, and wood finish and hardwood products of various kinds.

Property

The Company owns in fee simple 40,000 acres of timber and pulpwood lands and sufficient water power for all manufacturing purposes. The Company has also available at low cost not less than 10,000,000 cords of wood suitable for the purposes of its mill. The pulp mill will be the only one in Canada located on tide water open the year round.

Freedom From Taxation

The Municipality of the County of Annapolis, in which the new mills will be erected, has made provision whereby in case improvements exceed $200,000 in value, the assessment on the property shall not during thirty years exceed 5% on the value of the improvements.

Valuation

A conservative estimate of the value of the Company's properties and new plant is $2,400,000, nearly three times the present outstanding bonds.

Earnings

The average net earnings of the Company for the last five years are sufficient to pay the interest on these bonds, and the estimated earnings based on pre-war profits and on a very conservative basis, would be $272,000.

Title

The organization of the Company and all legal proceedings relating to the issuance of the bonds and the title to the properties have been passed upon by Mr. Alexander Fasken of Messrs. Fasken, Robertson, Chadwick & Sedgewick of Toronto.

Price : 100 and Interest—Carrying a Bonus of 20% in Common Stock

Application should be made to any one of the following stock brokers:

Graham, Sanson & Co.
INVESTMENT BANKERS
Members Toronto Stock Exchange
85 Bay St., Toronto. Phone Main 388

JOHN STARK & CO.
Toronto Stock Exchange
Phone Main 780

T. S. G. PEPLER & CO.
Royal Bank Building
TORONTO Phone Adel. 3448

WE OFFER

$25,000

Dominion Power and Transmission Co.

5% BONDS

Due 1932

Particulars on application

NESBITT, THOMSON & COMPANY, Limited

222 St. James St. - Montreal
Mercantile Trust Bldg. Hamilton
1404 C.P.R. Bldg. - Toronto

Intending

EXPORTERS!

Just Published

A New Manual on Foreign Trade and Markets

"WE in Canada are so utterly unprepared and uneducated in the matter of export trade," said Lloyd Harris to the C. M. A. on Wednesday. Here, however, is something that will help—the timely new manual, just issued, on

Principles of Foreign Trade

Until now our share in the world trade has been absurdly small, but where, four years ago, one manufacturer was interested in foreign trade, a hundred are interested to-day.

The manual is thoroughly up-to-date, with lists of consulates and the latest and fullest information on salesmanship abroad, investigators, functions of government bureaus, commercial laws, trade marks and credit customs. For the great mass of business men whose eyes are turning to look beyond our shores, this book will be an invaluable aid. All the broad principles of foreign trade are laid down, it tells how to select a field, how to prepare and develop a market, how to organize and operate a staff, etc. For the first time a single volume gives the exporter a complete survey of the entire field.

The author, Norbert L. Savay, has had an unusually wide and practical experience in foreign fields. For over fifteen years he has acted as salesman, investigator, executive and counsel for consulates and international traders. His studies, observations, inquiries, conversations and personal investigations in both hemispheres, added to a clear and simple style of writing, give him an equipment perhaps unique for the treatment of this important subject.

The manual contains a comprehensive index which will make every aspect of the subject immediately available. It is firmly bound in attractive cloth, and its price is $4.00.

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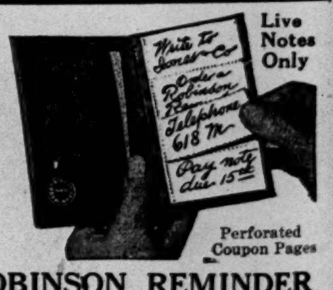

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MONTREAL WINNIPEG

NET EARNINGS OF 23.8% ON COMMON BY MAPLE LEAF

This Compares With a Total of 24 Per Cent. Distributed

STILL BIG SURPLUS

Balance of Over $1,500,000 Carried Forward—New Bank Advances a Feature of Balance Sheet

Earnings of the Maple Leaf Milling Co. for the year ending March 31st showed but a comparatively small decline from the previous twelvemonth, being $929,105, compared with $1,021,276, and were, therefore, not far from the high mark of $1,048,998 established the first year of the war. Interest payments, however, were considerably enlarged, with the result that the net profits were reduced to $771,036, compared with $907,677 a year ago. Preferred dividends took $175,000 and the common distribution $600,000, the total being slightly larger than income with the result that the large surplus of $1,572,509 a year ago was slightly reduced to $1,568,545. Following are comparative figures for the past three years:

	1918-19	1917-18	1916-17
Earnings ..	$ 929,105	$1,021,267	$ 738,644
Less int...	158,069	113,590	159,573
	$ 771,036	$ 907,677	$ 579,071
Bal. for....	1,572,509	1,402,332	1,210,760
	$2,343,545	$2,310,009	$1,789,931
Pfd. div...	175,000	175,000	175,000
Com. div..	600,000	562,500	212,500
Bal. for....	1,568,545	1,572,509	1,402,332
	$2,343,545	$2,310,009	$1,789,832

The showing on the preferred stock indicated 30.8 per cent. and on the common stock 23.8 per cent. Following is a summary of the earnings record for the past nine years:

Year—	Net	Pct. on Pfd.	Pct. on Com.
1918-19	$771,036	38.8	23.8
1917-18	907,677	36.3	29.3
1916-17	579,071	23.2	16.1
1915-16	426,354	17.0	10.0
1914-15	875,437	35.0	28.0
1913-14	276,123	10.7	3.7
1912-13	305,789	12.2	5.2
1911-12	280,036	11.2	4.2
1910-11	181,059	7.3	.3

There is a marked change in the company's position as regards current assets and liabilities. A year ago bank advances had been wiped out and inventories reduced to a comparatively low level at $1,999,813. In the current statement, however, the inventories have been enlarged to $4,749,459, and this is reflected in the bank advances which stand at $4,676,487. Accounts and bills receivable are somewhat increased and bills and accounts payable considerably larger. Following is a comparative summary for three years:

	1918-19	1917-18	1916-17
Cash .....$	15,988	$ 389,591	$ 72,517
Accts. and bills rec.	445,839	410,164	380,656
Inventories.	4,749,459	1,999,813	4,067,547
Bank debt.	4,676,487	....	1,892,326
Accts. pay.	744,537	987,384	1,212,453

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A. J. FERGUSON ON DETROIT RLY. STRIKE

Vice-President of Company Speaks Reassuringly of the Whole Situation

By Resident Representative.

MONTREAL. — Reassurances to shareholders of the Detroit United Railways have been given this week by A. J. Ferguson, vice-president, in the face of the short-lived strike, and an announcement of the mayor of Detroit that the city might expend $10,000,000 in buying a portion of the lines and then building a competitive system in other parts. When the employees of the company made a demand for 26 cents an hour increase, and the company granted 11 cents—which was accepted by the men—it was on the understanding that the city council would grant an increase in fares, making all lines 5 cents cash, and 1 cent extra for transfers. When this was refused the company declared it could not bear the extra cost of wages, and the men went out on Sunday. On Wednesday an approach to a settlement was made and it appears probable that some arrangement will be reached between city and company. The stock jumped over 6 points on this news on Thursday, although it eased off a little later.

BELL TELEPHONE

There has been a strengthening in the market for Bell Telephone this week to 119 as compared with a low of 114¾ under the influence of the new stock issue.

CANADIAN FIRM IN BIG AMERICAN PACKING MERGER

Matthews - Blackwell Company Joins Big U.S. Meat Concerns

EUROPEAN TRADE

Idea of Big Organization Will be to Perfect Machinery for Competing in European Business

NEW YORK.—Articles of incorporation have been filed under the laws of Delaware for the Allied Packers Company, Inc., with an authorized capital stock of $25,000,000 7 per cent. cumulative preferred stock and 250,000 shares of common stock, no par value. It also has authority to issue $25,000,000 twenty-year 6 per cent. debenture bonds. This is the much-talked of combination which promises to be a formidable rival of the leading packing concerns of the country. Eight or more corporations will figure in the merger, which will include the following: Klinck Packing Company, of Buffalo; Batchelder & Snyder, of Boston; Parker, Webb & Co., Detroit; W. S. Forbes, Richmond, Va.; Macon Packing Company; William Schenck & Sons, Wheeling W. Va., and Matthews-Blackwell Co., of Canada. The last named is said to be the largest packing concern in Canada. Negotiations are also in progress looking to the acquisition of a prominent concern in England, which operates two plants in this country.

John A. Hawkinson, who recently resigned as vice-president of Wilson & Co., will head the new combination. F. S. Snyder, former head of the meat division of the United States Food Administration, will be first vice-president, and Albert W. Schenck, second vice-president. Besides these men the board of directors will include E. B. Walden, vice-president of the Corn Products Refining Company; Henry Copper, vice-president of the Equitable Trust Company, and Ray Jones, president of the Merchants' National Bank, as well as prominent representatives of the concerns that will go to make up the combination.

Permanent organization will be perfected in the near future, when a complete list of officers and directors will be elected.

Mr. Hawkinson, in discussing the plans of the new corporation yesterday, said in part:

"We intend to compete for business with large packing interests. To this end we have already arranged for foreign connections. We will sell our goods in Europe, particularly in England and on the Continent. Representatives of all the companies that will figure in the new corporation attended a meeting in this city to-day and sufficient progress has been made in the matter of bringing the different companies together that will enable me to make a formal announcement in regard to the details of the merger in

Of the authorized capital it is planned to issue $16,000,000 preferred stock and 200,000 shares of common stock, and $16,000,000 twenty-year debenture bonds. It is reported that the Equitable Trust Company and the Merchants' National Bank have played an important part in the underwriting.

Regarding this report, Mr. Matthews informs THE FINANCIAL POST that a tentative basis of entering the merger has been reached, but that there are still details to be definitely concluded.

RAPID ADVANCE OF HOWARD SMITH STOCK

Improved Business and Dividend Prospects Meant 16 Points

By Resident Representative.

MONTREAL.—One of those quiet and rather surprising advances of the last few weeks has been the Howard Smith Paper Mills common stock. On Thursday sales were made at 81, an advance of 16 over the minimum of 65, where it held for many months, as a result of the passing of the dividends one year ago. These had been paid for three-quarters at the rate of 2 per cent.

Th company's position has improved, however, through the new Crabtree mill being in operation, and good business is reported for both mills. Attention has been drawn to the extension of the Beauharnois mill by the $800,000 issue of 6 per cent. first mortgage bonds, which are reported by Nesbitt, Thomson & Co. to have been oversubscribed, short though the time has been. It is understood that a payment of 3 per cent. will be declared on the common stock, payable about the middle of July, but covering no definite period.

A NEW ISSUE OF SCOTIA TRAM NOTES

Management of Company is Being Turned Over to Stone and Webster

The shareholders of the Nova Scotia Tramways & Power Company have been called to meet on June 24 to authorize an issue of $2,000,000 of the company's unsecured three-year notes, of which an issue of fifty per cent. is to be made as soon as approval is obtained from the Public Utilities Commission of the Province of Nova Scotia. After this meeting the preferred shareholders will meet to give their approval, as there was a stipulation made at the time original issue was authorized that no debt maturing more than one year from its date should be created, except under the authority of the holders of the stock voting separately as a class.

It will be recalled that a few weeks ago, at the annual meeting, there was a complete change in the control and officers of the company from those connected closely with Montreal Tramways Company, control passing to New York and Boston interests. In a statement to the shareholders, the newly elected president, A. Stuart Pratt, states that the active management of the properties has been turned over to Stone & Webster, of Boston, and that the proceeds of the new issue will be used to provide new equipment in the form of cars, repairs, etc. It is explained that it would be impossible to sell the first mortgage 5 per cent. bonds of the company, except at a price high enough to obtain the approval of the Public Utilities Commission of the Province.

CANADIAN CAR FINANCES

By Resident Representative.

MONTREAL.—The Canadian Car and Foundry Co. has made final settlement with the Imperial Munitions Board and the U. S. Government on munitions account. This is likely to be applied to writing off of inventory and will not increase profits. The plant in Montreal is turning out two steel passenger cars daily.

ASBESTOS CORPORATION

There has been a strong market for Asbestos Corporation common this week around 75, which equals the best record of last week, although a couple of points off the recent high. A fortnight ago the level was 63-63½. The preferred has sold up from 80 to 88½ during the past couple of weeks.

The C. M. A. Annual Meeting

Continued from page 1.

managed its affairs and misrepresented its membership as to unnecessarily estrange the farmers, labor unions, clergy, etc. Instead, he added the Irish to the list by proceeding to explain his knowledge of Irish dogs. He said there were several kinds of curs but the lowest type of all was a yellow dog, and he evidently desired myself and the audience to understand I was one of the latter class.

A stillness prevailed. It was not necessary to answer his question. The necessity for the changes advocated in these columns was emphasized. Compare the Association in its great days—and it is now going to be greater than ever—under Edward Gurney, Senator Nichols, Hon. E. J. Davis, W. K. George, W. K. McNaught, the Ellis brothers, Sir Albert Kemp, and others of like calibre. It is unnecessary to say more. A number of members got together to demand an apology from Mr. Harris. Some wanted a withdrawal from the Association. One of the provincial branches threatened to withdraw and sent a formal notice to that effect. It was felt that the story of such an exhibition going out through the country would create an entirely wrong impression of the membership. A deputation called on me to know if I would accept an apology. I said it was quite unnecessary.

If Mr. Harris had called me a lap dog it would have been different. I know something about dogs, particularly about the "yellow dog," the name given by the ignorant to the grandest breed of all—the Irish terrier. I have owned and bred a great many of them. You will find my name in the prize lists as an exhibitor at shows from New York to San Francisco, and later, in conjunction with a partner and worshipper of dogs, the late Dr. W. A. Drummond, Irishman, author of *The Habitant*, and brother of a former president of the Association. I have been going along the street with a dog for which I would not take $1,000 when ignorant persons have asked wherever did I get the "yellow cur." I sold one for $1,200, and paid as high as $800. Wm. Brodie, Banff, refused $5,000 for "Irish Ambassador," the yellowest of yellow dogs.

The Irish terrier was originally, and still is, the gypsy dog of Ireland. His wonderful qualities were recognized about 100 years ago. Mr. Harris is thus a century behind the times. Queen Victoria had two as constant companions. They are noted for their wonderful intelligence, faithfulness, reliability, good temper and absolute fearlessness. They are very shy but love a fight. They are very discerning, being gentle with children and other decent persons. With others they will never be friendly, in fact, are vicious. You know the story of the man who dislikes dogs. Mr. Harris should apologize to the Irish and the Irish terrier. They have breeding.

Will Keep Up the Fight

If Mr. Harris, and his Toronto colleagues, know as little about general business conditions in Canada, and the relations between the great classes of manufacturers, agriculturists and labor unions as he does about dogs, and particularly Irish dogs, the membership generally have all the evidence of the need for new blood now being arranged for and the reorganization of the Association now in progress. This is what we have been working for in conjunction with and under the advice of some of the best men in the Association, and in which we know we have the sympathy of the great mass of members.

Typical of their view was what Hon. Mr. Davis, who came to me at the close of the meeting, said, "Keep it up; you are doing magnificent work for the C.M.A. Take the advice of one like myself who has been for so many years in public life exposed to criticism, false and otherwise. Pay no attention to it when you know you are right."

The main fight for reform was practically won at this week's meeting as will be seen when we publish details. It should not now be so hard or unpleasant, but the old gang and certain other elements are still fighting, carrying on among the members a campaign of despicable misrepresentation of THE POST and myself, hoping thus to delay what must come.

Next week I will explain Mr. Parsons.

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B. C. PACKERS

The British Columbia Packing Association enters the present packing season in a very satisfactory position. Despite the reported heavy holdings of canned salmon at the Coast, it is stated by officers of the association, that they are not among those having holdings, and the coming season will see them practically clear of stocks. As the Canadian market is entirely bare of the desirable grades of salmon, there will undoubtedly be a very keen market for the coming season's pack. The prospects for the coming season appear to be unusually good.

MAPLE LEAF MILLING

The Maple Leaf Milling Company had one of the dullest weeks of the year, as far as its stock was concerned, during the past week. Sales were merely nominal, though even at that the price remained strong the range being from 166¾ to 168. The business of the company is reported to be very satisfactory. The Western situation has not affected them, and they have been able to get supplies of grain, and are running at full capacity.

TORONTO RAILS FACES SERIOUS STRIKE PROBLEM

No Satisfactory Solution of Wage Question in Sight

AS TO WATERED STOCK

Reckless Use of a Term Which is Little Understood by Those Who Use It or by the Public

The Toronto Railway Company is facing the possibility of a general strike of employees on Sunday night. Whether or not this drastic step will be taken by the men depends upon a decision to be reached at a meeting tonight, at which the technical point for consideration will be whether or not to meet the company in submitting the dispute to a board of conciliation, under the Lemieux Act, the company having already made formal application. There is little hope, however, that a board of conciliation would be able to provide a final solution of the matter. The best that could be hoped for would be a settlement of a basis for increasing the pay of the men, the necessity for an increase being generally conceded. It would still remain to solve the problem of how such increase is to be paid.

Shareholders of the company are well aware that in a general way the company's profits have already been eaten up by the increased cost of operation, while no measure of relief has been provided in increased fares, the latter being fixed at an absurdly low level in view of present conditions by the franchise agreement. The attitude of the management is that it would not be able to meet a big increase and that it could not, therefore, continue to operate. In this event there are several proposals in addition to the businesslike one that the company should be allowed a slight increase in fares to provide a living income. One is that the provincial railway board operate the system. Another is that the city should contribute sufficient to meet the wages increase and charge this against the company in the settlement to be made when the city finally takes over the railway in 1921.

As looking toward a more definite settlement that would be possible under a conciliation board there is talk of a royal commission, but in taking steps to this end every opposition is being made by the city hall, which continues its attitude of uncompromising antagonism to the company and its affairs. The company has issued the following statement:

> This company is sincerely desirous of avoiding a strike. We have applied for a board of conciliation so that the merits of the case may be thoroughly reviewed and an equitable and satisfactory arrangement reached.
>
> The financial condition of the company will not permit the payment of the 55c an hour wage demanded or the adoption of the working schedule proposed.
>
> If our men were to be awarded the 55c an hour wage and also the working schedule that is demanded it would mean that Toronto would be paying the highest wage per hour of any street railway in the country while at the same time it would be receiving the lowest rate of fare of any street railway in the country. It must be manifest that these two extremes cannot be easily reconciled.
>
> The company is very anxious to meet the present condition fairly and squarely but any decision calling for a large additional operating expense must be met by a commensurate return in revenue.

Toronto's Low Fares

As illustrating the low fares being charged in Toronto, the following analysis appears in Public Service Topics:

AVERAGE CARFARE

In 1861, 4.63 cents; no transfers.
In 1892, 4.29 cents; with transfers.
In 1918, 3.89 cents; with transfers.

Longest Ride for One Fare

In 1861, 1.7 miles; in 1892, 7.7 miles; in 1918, 11.1 miles.

Revenue per Mile on Long Ride

In 1861, 2.72 cents; in 1918, 0.28 cents.

Possible Car Ride for One Cent

In 1861, 0.34 mile; in 1918, 3.55 miles.

Toronto street cars first operated in 1861.

The original company became bankrupt in 1869.

The high cost of living does not apply to carfares, as average fare now is only 3.89 cents, as compared with 4.63 cents in 1861.

A passenger in 1861 could ride about one and a half miles for one fare; now it is possible to ride over eleven miles for one fare.

One cent in 1861 would carry a person one-third of a mile; now it will transport him three and a half miles.

As To Watered Stock

In connection with the whole situation there is a whole lot of irresponsible talk about watered stock in regard to the company's financing. The phrase is one which is popular with a public which does not at all understand its significance. Generally speaking watered stock is issued to represent the element of speculation in relation to an investment. It is just as much a part of the price as the stock issued with it. Thus we may have a preferred stock issued at 100 with a share of common as a bonus. This would be called water, and this year is likely to show an increase of about 50 per cent.

Yet the preferred stocw without such bonus would probably only be worth about 75 or 80. In order that the watered stock may be of value to the investor, the "water" must be eliminated by process of accumulated profits.

Thus, when Toronto Railway common stock sold as high as 144 it is futile to argue that it contained "water" at that time. The "water" had long before been squeezed out.

The inconsistency of this watered stock argument is illustrated by an editorial in the Toronto "Star" which argues that the stock issue made in 1911 at 100, and which brought $3,000,000, should have been sold to realize at least an additional $750,000. Thus, the "Star," which talks of watered stock as though it were worthless, believes that the shareholders should have been charged still more than 100 for stock to-day which is only worth 40.

SCOTIA'S RECORD

Stock Has Had Varied and Interesting Career in Recent Years

Nothing is said of an official or authentic nature in regard to the negotiations that have been taking place between officials of Dominion and Scotia. Lacking authoritative statements little is to be gained by passing on the street rumors concerning the strength that has been shown in Scotia common during the past few weeks. Since 1913 this stock has had a varied and interesting career as the following table of high and low will show:

SCOTIA		
1913	86¼	70¾
1914	79	39
1915	107½	45¾
1916	154½	90
1917	128	66
1918	70½	63½
1919 (to date)	97	49¾

Scotia preferred has gone as high as 112 for a small block this week, which is the highest point since early in 1916.

LOCOMOTIVE DIRECTORS

M. J. Haney, president of the Home Bank of Toronto, and James Carruthers, the well-known fiancier of Montreal, have been elected to fill the vacancies on the board of the Canadian Locomotive Company created by the deaths of president J. J. Harty and Senator H. W. Richardson.

BROMPTON SALES RUNNING FAR AHEAD

British Interests Said to be Seeking Control—Pool is Active

MONTREAL.—Some surprise has been felt in stock market circles the past couple of weeks at the steady rise in the price of Brompton Pulp and Paper Company, which has gone up, in the sale and purchase of many thousands of shares, from a low of 55¼ this year to a late high of 65½. During the past week the sales amounted to 17,302. Several months ago there was another rise accompanied by a belief in many quarters that there would be an increase in the dividend from 5 to 6 per cent. At the time THE FINANCIAL POST expressed the opinion that there would be no increase until the Government relinquished entirely control of the pulp and paper industry in Canada. That opinion still remains. That a pool is operating is learned, and this week a new report arose, that British interests, connected, of course, with Lord Northcliffe, were negotiating for control of the company. The Beckers were also mentioned in this connection, and it was stated that the preferential treatment to Canadian pulp and paper mills would result in a large increase in export business for this company.

In any case the stock has held firm in a rather soft market. The reports of the Brompton Company and its three mills in the States showed the largest sales in its history, and this condition applied to the Brompton Company itself as well. As was pointed out at the time the last annual statement was issued none of the profits of the U. S. mills were taken in, as these are being operated as a separate account, as they are subject to taxation in the United States as companies operating there. Then there will be running about the first of July a new newsprint machine at Brompton plant, which will double the capacity and bring the daily output to about 100 tons. The board box output will also be increased. This amounted last year to 10,500 tons.

Stock Movements of the Week

Week ending June 12, 1919.

	Ask	Bid	High	Low	Close	Sales	Yield to June 5
Banks—							
Commerce	205	203	204	203	204	141	5.91
Dominion	206	205¾	206½	205¾	205¾	131	5.79
Hamilton	184	183	184	182½	184	121	6.59
Imperial	200	198	199	198	198	44	6.09
Merchants	...	...	198	195	195	298	5.58
Molsons	197	...	197	196	196	12	6.06
Montreal	216	215	217	215	215¼	224	5.50
Nova Scotia	...	277	277	276	277	29	5.79
Royal	...	...	214½	213	214	39	5.60
Standard	...	214¼	214¼	214¼	214¼	1	6.07
Toronto	200	199	200	199¾	200	23	6.06
Union	...	160	162	161	161	38	6.25
Transportation—							
Barcelona	10¼	9⅞	10¾	10	10	489	...
Brazilian	58¼	57¾	59¾	57⅞	58	2,230	...
Can. S. S., com.	51	50¼	52¼	50	50	1,314	8.00
Do, pfd.	86½	86¼	87	85¾	86¼	1,473	8.13
Detroit United	102	101	106	101¾	106	1,690	7.61
Duluth-Superior	30	29	30	30	30	10	6.45
Porto R. Rys., com.	30	...	25	25	25	100	...
Quebec Ry	21½	20	21	19½	19½	1,125	...
Toronto Ry	...	39⅞	40½	39¾	40½	356	...
Twin City	53	51	55	53	53	70	6.89
Telegraph, Light and Power—							
Bell Telephone	...	117	118½	114	118½	791	6.95
Mackay, com.	79½	79	80¼	79½	79¾	97	7.31
Do, pfd.	67	65½	68	66	67	45	5.97
Montreal L. H. & P.	...	90	90¼	90	90	984	4.44
Ottawa Light, Heat	...	...	82¾	82¾	82¾	33	7.40
Shawinigan	124	...	124½	123¼	123¾	507	5.62
Industrials—							
Abitibi Power, com.	82	...	80	79	80	52	8.75
Ames-Holden, com.	...	43	44	43	43	505	...
Do, pfd.	87½	87	89⅞	87	87	1,396	...
B. C. Fish, com.	...	...	54¾	53	53¾	2,120	10.20
Brompton P'p, com.	65	64¾	65½	63½	64¾	10,327	7.93
F. N. Bart, com.	...	90	90	90	90	20	8.88
Do, pfd.	...	95	95¼	95	95¼	26	7.36
Can. Bread, com.	21	20	22	20½	21½	191	...
Can. Car & F., com.	34	34	33¾	31	33	1,745	...
Do, pfd.	92	91	92½	89½	91	745	2.86
Can. Cement, com.	69	68¼	69	68	68½	1,065	9.09
Do, pfd.	...	101½	101¾	100	100½	380	6.93
Can. Coverters	58	57	58	56	58	689	8.92
Can. Cottons, com.	84	82	83½	83½	83½	10	7.14
Do, pfd.	87	85½	86	85	86	55	6.97
Can. Loco., com.	76	75¼	76	74	76	1,832	7.89
Do, pfd.	...	...	94	94	94	35	7.44
Can. Gen. El., com.	114	113½	115	113½	114½	205	7.01
Carriage Fac., com.	15	...	13	13	13	5	...
City Dairy, com.	...	60	60	60	60	10	...
Dominion Bridge	...	...	110	110	110	5	7.01
Dom. Canners, com.	46	...	47½	45	45	425	...
Dom. Canners, pfd.	91	...	92	90½	90½	115	7.69
Dom. Steel C., com.	67	66½	68	65⅜	67	8,529	8.95
Dom. Iron, pfd	...	99	99½	99	99	25	7.07
Dom. Coal, pfd	...	...	100	97	100	10	7.14
Dom. Textile, com.	116	115¼	116⅛	115	115	355	6.89
Do, pfd.	...	...	105½	104	104	137	6.73
Inter. Petroleum	...	...	31.00	31.00	31.00	100	...
Laurentide	224	223	225	223	223	645	5.40
Lyall Const., com.	...	...	67	66	66	26	11.94
A. Macdonald	30	29¾	31¼	27½	30	2,175	...
Maple L. Mg., com.	167	...	168	166¾	167	60	5.91
Do, pfd.	105½	104¾	105	104¾	105	96	6.66
Monarch Knit., pfd.	...	90	90	90	90	1	7.77
N. S. S. & C., com.	...	89	96¾	86	88	1,184	5.26
Do, pfd.	...	...	112	112	112	12	7.33
Ogilvie Flour, com.	...	...	259¾	258½	258½	15	4.61
Do, pfd.	...	...	110	110	110	10	6.42
Ont. Steel P., com.	...	32	33½	33½	3½	40	...
Panama's, com.	...	94½	94½	93	93	105	6.38
Do, pfd.	...	...	90	90	90	10	6.52
Riordon Pulp, com.	128	126	128½	126	126	475	7.81
Do, pfd.	...	98½	100	98	98	6	7.07
W. A. Rogers, com.	52	47	50	50	50	51	...
Russell Motor, pfd.	90	87	88	88	88	10	7.69
Sawyer-Mas., com.	21	17	17	15	15	70	...
Smith P. M., com.	80	79¾	80	74	79¾	195	...
Spanish R. P., com.	29	28⅞	30¾	27	29	8,840	...
Do, pfd.	104	103½	106	103½	103½	3,278	...
Steel of Can., com.	71¼	70¾	70¾	67¾	70¾	5,398	8.69
Do, pfd.	97½	...	98	97½	97½	56	7.21
St. Lawr. Fl., com.	111½	109½	111½	110	111	563	5.40
Tooke Bros., com.	...	...	36	36	36	75	...
Tuckett Tob., com.	38	...	38	35½	38	55	...
Wabasco Cotton	...	87	88½	88	88	190	6.89
Wayagamack, com.	49	...	50	46	49½	1,176	...
Woods Mfg., com.	...	...	95	95	95	10	7.36
Do, pfd.	...	...	87	87	87	78	9.86

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DENOMINATIONS—$100, $500

Value of property estimated by experts	$775,000
Net earnings available for bond interest	41,715

(Nearly twice the interest on $450,000 at 6% per annum)

TRUSTEE—The Montreal Trust Co.

LEGALITY—MM. Kavanagh, Lajoie & Lacoste and MM. Rainville & Rainville, Advocates, have passed and approved of the legality of this issue.

Trust deeds have been passed before Mtre. Victor Morin, N.P.

SINKING FUND—The trust deed provides for the creation of a sinking fund to redeem a substantial amount of the bonds during the life time of the issue.

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THE Royal Trust Company comes to the assistance of those who, being inexperienced in business, or otherwise occupied, require an Agent to manage their financial affairs or to advise in the management.

Financial matters of whatever nature, whether in connection with real estate or mortgages thereon, bonds or stocks, receive constant, expert attention and guidance. The Company is authorized to act as Trustee Executor, Assignee, Curator to property, to manage estates or to accept any Financial agency.

The Company will act as agent and attorney for executors already acting, or for the investment or collection of moneys, rents, interests, dividends, mortgages, bonds and other securities.

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T68

DIVIDENDS

Canada Steamships Lines, Limited

NOTICE is hereby given that a dividend of one and three-quarters per cent. (1¾%) on the Preference Shares of the Capital Stock of Canada Steamships Lines, Limited, has been declared, payable July 2nd, 1919, to shareholders of record June 16th.

By Order of the Board.

F. PERCY SMITH,
Secretary.

Montreal, May 13th, 1919.

Dominion Textile Company, Limited

NOTICE OF DIVIDEND

A DIVIDEND of one and three-quarter per cent. (1¾%) on the Preferred Stock of the DOMINION TEXTILE COMPANY, LIMITED, has been declared for the quarter ending 30th JUNE, 1919, payable July 15th to shareholders of record JUNE 30th, 1919.

By Order of the Board.

JAS. H. WEBB,
Secretary-Treasurer.

Montreal, 4th June, 1919.

Dominion Textile Co., LIMITED

Notice of Dividend

A DIVIDEND of two per cent. (2%) on the Common Stock of the DOMINION TEXTILE COMPANY, LIMITED, has been declared for the quarter ending 30th June, 1919, payable July 2nd to shareholders of record June 14th, 1919.

By Order of the Board.

JAS. H. WEBB,
Secretary-Treasurer.

Montreal, 14th May, 1919.

Canadian Cottons Limited

NOTICE is hereby given that a Quarterly Dividend of One and a Half per cent. (1½%) has been declared on the Preferred Shares of this Company, payable the 4th day of July, 1919, to Shareholders of record the 23rd June.

Also that a Quarterly Dividend of One and a Half per cent. (1½%) has been declared on the Common Shares of this Company, payable the 4th day of July, 1919, to Shareholders of record the 23rd June.

By Order of the Board.

A. BRUCE,
Secretary-Treasurer.

Montreal, June 7th, 1919.

The Hamilton Provident and Loan Society

DIVIDEND NO. 96.

NOTICE is hereby given that a Dividend of **Four and one-half** per cent. upon the Capital Stock of this Society (being at the rate of **Nine** per cent. per annum) has been declared for the half year ending June 30th next, and that the same will be payable at the Society's Head Office, Hamilton, Ontario, on and after Wednesday, 2nd July, 1919.

The Transfer Books of the Society will be closed from the 16th to 30th of June next, both days inclusive.

By Order of the Board.

D. M. CAMERON,
Treasurer.

Hamilton, May 30th, 1919.

THE CANADIAN CROCKER-WHEELER CO., LIMITED

DIVIDEND NO. 66.

THE Directors of The Canadian Crocker-Wheeler Company, Limited, have declared a One and Three Quarters per cent., (1¾%) dividend on the Preferred Stock of the Company for the three months ending June 30th, 1919, to Shareholders of record, June 20th, 1919. Also a dividend of One and Three Quarters per cent.,(1¾%) on the Common Stock of the Company for three months ending June 30th, 1919, to Shareholders of record June 20th, 1919.

The stock books will be closed from the 20th to the 30th of June, both days inclusive.

Cheques will be mailed to Shareholders on June 30th, 1919.

By order of the Board.

L. R. GRIMSHAW,
Secretary-Treasurer.

St. Catharines, June 2nd, 1919.

Penmans Limited

DIVIDEND NOTICE

NOTICE is hereby given that the following dividends have been declared this day for the quarter ending July 31st, 1919. One and one-half per cent., (1½%) on the Preferred Stock payable on the 1st day of August to shareholders of record of the 21st day of July 1919, and one and three-quarters per cent. (1¾%) on the Common Stock payable on the 15th day of August to shareholders of record of the 5th day of August 1919

By Order of the Board.

C. B. ROBINSON.
Secretary-Treasurer.

Montreal, Que., May 28, 1919.

DOMINION GLASS COMPANY LIMITED

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of one per cent. (1%) has been declared on the COMMON STOCK of Dominion Glass Company, Limited, for the quarter ending the 30th day of June, 1919, payable Tuesday, the 1st day of July, 1919, to Shareholders of record at the close of business Saturday, the 14th day of June, 1919.

By Order of the Board,

MERVYN OFFER,
Secretary.

Montreal, 28th May, 1919.

DOMINION GLASS COMPANY LIMITED

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of one and three-quarters per cent. (1¾%) has been declared on the PREFERRED STOCK of Dominion Glass Company, Limited, for the quarter ending the 30th day of June, 1919, payable Tuesday, the 1st day of July, 1919, to shareholders of record at the close of business Saturday, the 14th day of June, 1919.

By Order of the Board,

MERVYN OFFER,
Secretary.

Montreal. 28th May, 1919.

The Bank of Nova Scotia

DIVIDEND NO. 198

NOTICE is hereby given that a Dividend of 4% for the quarter ending June 30th has been declared on $6,500,000 of the Capital Stock of the Bank, and a Dividend of 2 2-3% for the two months ending June 30th has been declared on $3,200,000 of the Capital Stock of the Bank issued May 1st, and that the same will be payable on and after Wednesday, the 2nd day of July next at any of the offices of the Bank.

The Stock Transfer Books will be closed from the 16th to the 30th proximo, inclusive.

By Order of the Board.

H. A. RICHARDSON,
General Manager.

Halifax, N.S., May 20th, 1919.

The Wabasso Cotton Company, Limited

DIVIDEND NO. 6.

NOTICE is hereby given that a quarterly Dividend of 1½ per cent. has been declared on the Capital Stock, of the Company for the quarter ending June 30th, 1919, payable July 2nd, 1919, to shareholders of record at the close of business on June 13th, 1919.

By Order of the Board.

S. B. CAYFORD,
Secretary.

Montreal, 8th May, 1919.

Canadian Car & Foundry Company, Limited

NOTICE is hereby given that a Dividend of One and Three-quarters per cent. on the Preference Shares of the Company for the Quarter ending June 30th, 1919, has been declared, payable on July 10th, 1919, to Shareholders of record at the close of business June 26th, 1919. The Transfer Books of the Company will not be closed.

By Order of the Board.

A. C. BOURNE,
Secretary.

Montreal, June 6th, 1919.

Canadian Pacific Railway Co'y.

DIVIDEND NOTICE

AT a meeting of the Board of Directors held to-day a dividend of two and one-half per cent. on the Common Stock for the quarter ended 31st March last, being at the rate of seven per cent. per annum from revenue and three per cent. per annum from Special Income Account, was declared payable on 30th June next to Shareholders of record at 3 p.m. on 30th May instant.

By Order of the Board.

ERNEST ALEXANDER,
Secretary.

Montreal, 7th May, 1919.

Algonquin Park Summer Season 1919

The Grand Trunk Railway System owns and operates in Algonquin Park, the Highland Inn at Algonquin Park Station and Nominigan Camp on Smoke Lake (7 miles from Algonquin Park Station). This camp is reached from Algonquin Park Station by stage operated by management of the Highland Inn. The Highland Inn will open for the reception of guests for the season of 1919 on June 14th, and Nominigan Camp will be opened on June 28th.

Mr. N. T. Clarke, of the Chateau Laurier, Ottawa, has been appointed manager of the Highland Inn and Nominigan Camp for this season, and all communications regarding reservations should be addressed to him, c/o Chateau Laurier, Ottawa, until June 1st, after which date Algonquin Park Station, Ont.

Illustrated descriptive literature with all information, including hotel rates may be had free on application to Grand Trunk Agent or C. E. Horning, D.P.A., Toronto, Ont.

NATIONAL STEEL CAR

National Steel car has temporarily left the market, as far as trading is concerned. The falling through of negotiations for the sale of the property to an American concern seems to have had the effect of removing the temporary interest in this security. There have been no sales for some days, so there is nothing by which to judge the strength of the market on this point. Last dealings left common at 10. It started the year at 5½, coming up to 16 for a small sale late in April. The best figure in recent years was 55½ in 1915. Reports have not been issued since that time.

ALGOMA STEEL CORPORATION

The rail mill at the Algoma Steel Corporation is operating again on a more satisfactory basis. National Railways have placed a 10,000-ton order there, and it is understood that Belgian rail orders have also been secured, the tonnage amounting to some eight thousand. This business will be of considerable help in getting the mills started on their peacetime lines, as the temporary shut-down had caused some labor unrest at the works.

INCORPORATION OF NEW OIL COS. BREAKS RECORDS

Over Two Hundred Million Capitalization of Companies in May

IN UNITED STATES

Indicated Investment so Far This Year Will Exceed the Total for Last Year

According to a compilation made by the New York Journal of Commerce, 199 new oil companies with a total authorized capitalization of $202,305,000 were chartered during the month of May in the United States. This compares with a previous high record of $163,000,000, established in February, 1916, and is almost double the indicated investment for April of this year, which amounted to $104,469,000. In the first five months of the current year 610 oil companies have been started, with an aggregate authorized capital of $472,966,000, compared with 385 companies, representing an indicated investment of $212,062,000, in the corresponding months of 1918. During the entire year 1918, only 820 oil companies were launched, and their aggregate authorized capitalization appeared as $430,480,000.

The current year seems likely to exceed the high total of $840,219,400, established in 1917, when America's entry into the war furnished the stimulus. The monthly average to date is more than $20,000,000 higher than in that year, and if the present activity, which shows no sign of abatement, continues for a couple of months more the record is almost certain to be broken. The compilation includes only those companies having an authorized capital of $50,000 or greater.

Was Not Included

Among the incorporations last month which attracted considerable attention and which has not been included in the record because important changes are impending was that of the Sholan Co., Inc., chartered in Delaware with 1,000,000 shares of capital stock at no par value. The name of the company will probably be changed and its capital stock increased before it becomes an active factor in the situation. It will form the basis for the consolidation of several companies, the only names specifically mentioned in connection with the merger so far in responsible quarters being the Sinclair Oil and Refining Co. and the Sinclair Gulf Corporation. It is expected, however, that other companies will be included in the group.

Two factories are believed to have operated very largely to the increase in new enterprise in the oil industry. First of these is the prospect of a steadily growing demand for petroleum and its products, arising from an extension of its uses such as is involved in the plans for the construction of oil-burning vessels. Second is the free supply of money which has been noted of late following the removal of restrictions necessitated by concentration on war production.

Over a Million

Fifty-eight of the companies organized in May had an authorized capital of $1,000,000 or greater, against only twenty-three in April and seventeen in March. Those with an authorized capital of $5,000,000 or greater were: Atlas Petroleum Corporation, $5,000,000; Black Hawk Petroleum Co., $21,000,000; Central Oil Development Co., $10,000,000; Caddo Central Oil Refining Corporation, $5,000,000; Continental Asphalt & Petroleum Co., $5,000,000; Keen & Wolf Oil Co., $6,000,000; Mutual Oil & Refining Co., $5,000,000; Mexican International Petroleum Corporation, $6,000,000; Mike Henry Consolidated, Inc., $15,000,000; Ryan Petroleum Co., $20,000,000; Superior Oil & Gas Co., $5,000,000; United States Producing & Refining Co., $6,000,000; and White Eagle Oil & Refining Co., $32,000,000.

THE KIRKLAND MERGER

Terms are Announced by Toronto Brokerage House

In their current market letter, F. C. Sutherland announces the terms of the deal by which the Tough-Oakes Gold Mines, the Burnside Gold Mines, the Aladdin-Cobalt Co., and the Sudbury Syndicate, will be merged into the Kirkland Lake Proprietary Co., with a capital of a million pounds. This company will absorb the others on the following basis:

Firstly—The Kirkland Lake Proprietary, whose issued capital is £125,000, will receive 250,000 shares. This means that when the merger becomes effective shareholders of this company will receive a bonus of one share for every share held.

Secondly—Shareholders of the Tough-Oakes Gold Mine will receive one Kirkland Lake Proprietary share for each two held in the Tough-Oakes Company.

Thirdly—Shareholders in the Burnside Gold Mine will receive one share for each two shares held in the Burnside Company.

Fourthly—Shareholders in the Sudbury Syndicate will receive one and a quarter Kirkland Lake Proprietary shares for each one share held in the Sudbury Syndicate.

Fifthly—Shareholders in the Aladdin-Cobalt Company will receive two Kirkland Lake Proprietary shares for every seven shares held in the Aladdin-Cobalt Company.

Slight modifications may be made in this arrangement and some minor interests may be added to the merger, state Sutherland & Co.

As a result of the deal, allowing for the extinguishing of the various interholdings, the Kirkland Lake Proprietary's issued capital will be something under £800,000. It will have about a hundred thousand pounds cash; it will possess a property in Cobalt of considerable promise, and it will own nearly a square mile of ground at Kirkland Lake upon which some twenty-five ore bodies have already been located. It will also derive the benefit of a great deal of development on the Burnside and Tough-Oakes and an up-to-date plant (on the Tough-Oakes property) which it is contemplated will be ready to resume operations about the end of July.

One of the benefits which will accrue from the merger is that the amalgamation will be capitalized at about £800,0000, as against the present combined issued shares of the various companies of about £2,000,000. In addition to this the company will own 100,000 shares.

CONSOLIDATED SMELTERS

For the final period in May, ore receipts at the Trail smelter amounted to 6,785 tons, of which 4,477 came from the Sullivan. For the corresponding period of 1918 receipts totaled 4,477 from all mines.

DOME MINES

The annual meeting of Dome Mines took place in Toronto on Tuesday. The president, J. S. Bache, who was just back from a trip of inspection, reported that at present the mill was treating about 600 tons of ore a day. If labor were available this could be increased to 1,500 tons. At the present rate, however, he believed there should be a small dividend available by January. Labor difficulties are the main source of trouble. No action would be taken on the Dome extension option until next March. At the meeting the board was enlarged from eight to nine members by the election of Howard Poillou of New York, a mining engineer.

NIPISSING

During May the Nipissing mined ore to the value of $347,751 and shipped bullion from Nipissing and customs ores to the value of $102,578. According to the mine manager's report, all stoping operations and general underground explorations and development continued to be satisfactory throughout the month. At 96 tunnel, development work on veins 99 and 109 continued to show good results, though not as continuous as in April. Vein 99 now shows 60 feet of ore, averaging two inches in width and assaying in excess of 5,000 ounces. In addition, 30 feet produced irregular amounts of high-grade ore, the country rock, however, being of sufficient grade to be treated at the low-grade mill. Vein 109 has been drifted on for 230 feet; 130 feet will assay in excess of 5,000 ounces over a width of two inches; the balance contains mill rock and some high-grade ore. Owing to excessive surface water some difficulty was encountered in starting new development operations at a level 90 feet below the tunnel. These difficulties have been overcome and cross-cutting has been started. Vein 109 is expected to be cut at a distance of 75 feet, and vein 99 will require somewhat more.

MINING CORPORATION

The Mining Corporation has ceased work for the time being on property acquired some few months ago in the southeastern part of the township of Bucke. During the course of work a shaft was driven to a depth of 300 feet, where three veins were cross-cut. Commercial values were not encountered, it is understood, with the result that work has been suspended.

A new record of gross earnings by the Toronto Railway Company is set by the returns from passenger fares for May, which exceeded any month since the railway began running. The amount was $620,068, of which the city will receive $124,013.

UNLISTED SECURITIES

STOCKS—		Bid	Ask
Alberta Pac. Grain, com..		122	130
Do., pref.		89	95
Belding-Paul, com		35	40
Do., pref.		88	95
British Amer. Ass.		9	12½
Can. Mach., com.		23½	29
Do., pref.		50	59
Can. Westinghouse		115	130
Canadian Oil, com.		46	54
Do., pref.		95	102
Cockshutt Plow, pref.		80	88
Dominion Fire		25	30
Dom. Manufac., pref.		47	60
Do., com.		9	15
Dom. Power &Trans., com		47	55
Eastern Car, pref.		50	..
Great West Life..........		220	230
Dom. Linseed Oil		70	..
Guelph and Ont. Invest. (par $50).		..	92
London Loan & Savings ..		85	105
Home Bank		76	83
Illinois Traction, pref.....		75	78
International Milling pref.		88	91
King Edward Hotel, com.		45	55
Loew's Toronto, com.		125	140
Wm. Neilson, com.		54	65
Sterling Coal, com.		15	17
Sterling Bank		110	120
Standard Reliance		40	43½
Trust & Guarantee		85	92
Western Assurance		10	15
Whalen Pulp & Paper, com.		25	30
BONDS—			
P. Burns, 1924.....	6s	100	105
P. Burns, 1931.....	5s	96	99
Eastern Car	5s	91	95
Mex. Northern Pow.	5s	12	16
Morrow Screw	6s	88	92
N. S. Steel D.B.S..	6s	87	93
Ontario Pulp	6s	92	94
Sterling Coal	6s	72½	76
Stone Limited	6s	94	98
Toronto Power ...	5s	90	93
Tor. & York Radial	5s	97	99
Toronto Paper	6s	86	92
West Can. Power.	5s	57	61

THE NATIONAL CITY COMPANY
NATIONAL CITY BANK BUILDING
NEW YORK

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from
Income Tax

We have ready for sale and immediate delivery

$500,000
Canada
Victory Loan
5½% Bonds

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With the upward trend of prices we advise prompt inquiry by mail or in person.

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NATIONAL
CITY COMPANY
Limited

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74 Notre Dame Street West
MONTREAL

Toronto Office:
10 King Street East

Maritime Representative:
169 Hollis Street, Halifax, N. S.

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SUMMER HOME

Wanted to sell or rent for the summer months, Linden Grange, St. Andrews, New Brunswick, the residence of Lady Tilley. Apply to L. P. D. Tilley (Barrister), St. John, N.B.

MINES — TIMBER

This Company maintains a special department for the investigation of development propositions in Western Canada, and only those of sterling merit are commended to the consideration of our clients.

LOUGHEED & TAYLOR, Limited
Government, Provincial, Municipal and School Bonds
Calgary, Canada

THE STANDARD BANK OF CANADA ESTD 1873

LEARN TO SAVE.—Every man, woman and child can save. Every one should save. Every ambitious person does save. The Savings Department of the Standard Bank of Canada affords every facility for aiding you to save. 291

THE
STANDARD BANK
OF CANADA
MAIN OFFICE
15 KING STREET WEST
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Route Your Shipments
CANADIAN NATIONAL

A first reading was given in the Senate on May 26, to a bill empowering the Alberta-Saskatchewan Life Insurance Company to change its name to the Provident Life Assurance Company of Canada.

La Banque Nationale

FIFTY-NINTH ANNUAL REPORT

1919

The Fifty-Ninth Annual General Meeting of the shareholders of this institution was held at the office of the Bank on Wednesday, the eleventh of June, 1919, at three o'clock p.m.

There were present:—Messrs. Rodolphe Audette, J. B. Laliberte, Victor Chateauvert, Nazaire Fortier, Charles Pettigrew, Napoleon Drouin, Napoleon Lavoie, Alph. A. Dechene, J. F. Dumontier, C. Alfred R. Desjardines, N. Arthur Drolet, Pierre Drapeau, Capt. L. Robert Demers, Louis Drouin, A. S. Garneau, Charles Grenier, N.P., J. Adhemar Gagnon, J. Ant. Grenier, Elzear Labrecque, M.D., M. A. Labrecque, P. G. Lafrance, S. Jules LaRue, N.P., C. J. Levesque, Henri Lemieux, Charles Noreau, Ferdinand Nadeau, Adjutor Rivard, Col. H. Oct. Roy, N.P., Jos. O. Samson, Geo. V. Tessier, L. P. Thibault, etc., etc.

Mr. Rodolphe Audette was called to the chair and Mr. P. Lafrance was requested to act as Secretary.

Before proceeding to the reading of the annual report, the following gentlemen were elected scrutineers, viz.: Messrs. N. Arthur Drolet, Chs. Grenier, N.P., and Chs. Noreau.

The President read the following report of the affairs of the Bank:

REPORT OF THE BOARD OF DIRECTORS

Gentlemen Shareholders,

The Directors have the honour to submit to your approbation the result of the operations of the Bank for the year 1918-19, by the statement of Profit and Loss account, together with the statement of the Assets and Liabilities of the Bank:

The Balance to the credit of Profit and Loss on 30th April, 1918		$ 35,249.03
The profits of the year, after paying interest on deposits and deducting bad and doubtful debts		533,450.32
Forming the sum of		$568,699.35
Which has been disposed of as follows:—		
To quarterly Dividends, at the rate of 9 p.c. per annum (i.e., 2¼ p.c. payable 1st August, 2nd November, 1st February and 1st May)	$180,000.00	
To Reserve Fund	100,000.00	
To Depreciation on securities and for contingencies	100,000.00	
To Rebate of interest on discounts	45,000.00	
To Depreciation on Bank premises	40,000.00	
To Depreciation on fixtures	10,000.00	
To Pension Fund	25,000.00	
To War Tax on circulation	20,000.00	
	$520,000.00	
Leaving to the credit of Profit and Loss a balance of	48,699.35	
		$568,699.35

Your directors are most happy in submitting to your appreciation a so satisfactory statement of the operations of the year. The results have surpassed all those of the preceding years. Our country, specially the Province of Quebec, in which our interests are for the largest part concentrated, has passed by a period of abnormal prosperity caused by the war, which has ended in this country the beginning of a financial crisis, the first effects of which had been felt. The banks in general, and La Banque Nationale especially, have benefited by this state of war, which made of our country, apart from its share of soldiers, a producer of munitions and products for the Allies. Our agricultural population particularly benefited from the extraordinary increase on the price of its products. Our branches and agencies, for the greatest number situated in agricultural centres, have, from this fact, considerably increased their deposits, so much so that the deposits of $27,213,000 last year, are this year $37,455,000, an increase of $10,242,000. The increase in our commercial loans has not been proportionately as high, but we have reimbursed loans made from the Government and we have also bought debentures for a large amount, mostly Government debentures, as shown by the items of our statement in which those loans are mentioned, which course enabled us to use our surplus of funds and not leave them unproductive. Our Paris branch also shows a considerable increase; the deposits of $1,211,000 last year, are this year $1,852,000, an increase of $641,000 on last year, with a most encouraging prospect for the future. Our current loans, or $23,647,000 last year, are only $25,091,000 this year, a small increase of $1,444,000. To replace this, we have loans on shares and debentures and we possess Government, municipal and other values, to the amount of $13,135,800, compared to $9,282,600 last year, an increase of $3,853,000. Our assets, of $41,195,000 last year, are $50,433,000 this year. We have tried, as in the past, to give satisfaction to all the reasonable demands of funds in the cities and in our country branches. We have brought a special attention to the needs of our agriculture, giving to our farmers all the help possible, justifying, by doing so, our name of "Nationale."

It is evident that, since the close of hostilities and the closing of the factories of munitions and other manufactures necessitated by war, the demands for commercial needs have become less and that the demands for ordinary commercial business have not compensated for this diminution. We will, no doubt, have more or less of a calm in the business of the country, a time sufficient to re-establish the equilibrium which the war has disturbed. This normal reconstruction of the affairs of the world will really take its effect only when peace is signed and when the world will be familiar with the new conditions created by the war. So far as we are concerned, without expecting our profits to be as high as those of the year just closed, we think to be able to maintain the fine position in which we are.

In the course of the year, we bought land and have erected, in different centres, buildings to install our offices, buildings which were imposed on us by the importance of the branches and the difficulty of obtaining suitable accommodation. Those buyings of lands and constructions of buildings, explain the increase seen in our statement under this heading.

We have considered that, to maintain our buildings and our furniture at a minimum valuation, an appropriation of $40,000 on our Bank premises and $10,000 on our furniture should be made. We have continued this year to appropriate an amount for depreciation and contingencies, so as to place for ever in safety our Reserve Fund, which we have created and are increasing regularly. We have also considered, taking into account the large profits realized, to attribute $25,000 to the Pension Fund of our employees and to resume, this year, the appropriation to increase the reserve for interest not earned on our discounts. $45,000 has been added to this fund of already $55,000, which makes it $100,000. This year, as last year, our employees have been gratified by an allocation of $54,000 for high cost of living.

The affairs of the institution are prosperous and our financial situation of the best; we feel ourselves justified to tell you that the intention of the present Board is to begin to pay, on the 1st of August next, the dividend on the basis of 10 per cent. a year.

We have opened, in the course of the year, three branches and twenty-one sub-agencies, in part to respond to the demands and needs of the population and also to protect our branches against a too intense competition which exists between the banks. We have closed two sub-agencies.

The branches and sub-agencies have been inspected with care, and our staff has well deserved from the institution by its work and zeal.

We have taken back in our employ all volunteers and conscripts who were in our service just before or during the war, and who have applied for a position; we felt that it was our duty to do so.

Last year we expressed the wish that the war would be over before the meeting of this year. Providence heard our prayer and those of all the world. The Allies were victorious and the peace they will impose will protect for ever our country and our home from the horrors of war.

GENERAL STATEMENT TO 30th APRIL, 1919

LIABILITIES

Notes of the Bank in circulation		$ 4,962,855.00
Balances due to Canadian Government		3,697,350.62
Deposits payable after notice	$27,146,037.27	
Deposits payable on demand	8,456,153.42	
Deposits elsewhere than in Canada, payable after notice	1,852,912.75	
		37,455,103.44
Unclaimed dividends	824.30	
Dividends payable 1st May	45,000.00	
		45,824.30
Balances due to other Banks in Canada	1,458.35	
Balances due to Banks and banking correspondents in foreign countries	3,249.02	
Acceptances under letters of credit	2,000.00	
Other liabilities	16,991.67	
		23,699.04
Total Liabilities to the public		$46,184,832.40
Capital paid-up	2,000,000.00	
Reserve Fund	2,200,000.00	
Profit and Loss account	48,699.35	
		4,248,699.35
		$50,433,531.75

ASSETS

Current coin	$ 352,096.63	
Dominion notes	3,256,575.75	
Deposit in central gold reserves	3,300,000.00	
		$ 6,908,672.38
Notes of other banks	534,240.00	
Cheques on other banks	1,639,535.54	
Balances due by other banks in Canada	596.36	
Balances due by banks and banking correspondents in the United Kingdom	149,623.70	
Balances due by banks and banking correspondents in foreign countries	713,368.46	
		3,037,364.06
Deposit with the Dominion Government to secure bank note circulation	100,000.00	
Imperial and Dominion Government securities	6,371,776.76	
Canadian municipal, foreign and other public securities	1,434,924.88	
Railway and other bonds, debentures and stocks	2,079,352.32	
Call loans on bonds, debentures and stocks	3,249,738.62	
		13,235,792.58
Total Assets immediately available		$23,181,829.02
Current loans and discounts in Canada (less rebate of interest)	$25,065,603.99	
Overdue debts (estimated loss provided for)	25,379.81	
Liabilities of customers under letters of credit	2,000.00	
Real estate (other than Bank premises)	472,727.29	
Mortgages on real estate sold by the Bank	212,035.92	
		25,777,747.01
Bank premises and fixtures (less amounts written off)	1,292,238.90	
Other assets	181,716.82	
		1,473,955.72
		$50,433,531.75

R. AUDETTE,
President.

N. LAVOIE,
General Manager.

In accordance with sub-sections 19 and 20 of Section 56 of the Bank Act, 1913, and as auditor for La Banque Nationale, I have the honour to submit the following report:

I have compared the above balance sheet with the books and vouchers kept at the Head Office of La Banque Nationale and with the certified returns from the different branches to April 30th, 1919; I have checked the cash and verified the securities and other valuables at the Head Office and at five of the principal branches of the Bank; and, after having obtained all the necessary information and explanations, I certify that, in my opinion, this balance sheets represents a true and correct view of the state of the Bank's affairs up to April 30th, 1919.

I have, in addition to the above mentioned, during the current year, checked and verified the cash and securities at different branches and Head Office of the Bank and found them to be in agreement with the entries on the books of the Bank relating thereto.

I may also mention that the different officials of the Bank have given me, to my satisfaction, all the required information concerning the Bank's affairs and transactions which have come under my notice, and I consider them within the power of the Bank.

OCT. BELANGER, L.I.A.,
Auditor.

Quebec, May 19th, 1919.

Moved by Mr. Rodolphe Audette, seconded by Mr. J. B. Laliberte:
That the report of the Directors and the statements now read be adopted, printed and published for distribution among the shareholders.—Adopted.

Moved by Mr. Chs. Grenier, N.P., seconded by Mr. A. S. Garneau:
That Mr. Octave Belanger, accountant duly qualified as per section 56 of the Bank Act, be appointed auditor of the Bank for the year 1919-20, with the same remuneration.—Adopted.

Moved by Mr. Rodolphe Audette, seconded by Mr. J. B. Laliberte:
That, considering the large increase in the affairs of the Bank and the exiguity more and more evident of its premises for its commercial and administrative needs, that it be resolved that the Board of Directors is authorized to construct a suitable building, in accord with the importance of the Bank and its wants.—Adopted.

Moved by Mr. C. A. R. Desjardins, seconded by Capt. L. Robert Demers:
That Mr. Rodolphe Audette, J. B. Laliberte, Nazaire Fortier, Victor Chateauvert, Napoleon Drouin, Charles Pettigrew, Napoleon Lavoie be unanimously chosen Directors of La Banque Nationale for the ensuing year and that a single ballot be deposited in the votation box.—Adopted.

The President left the chair and Mr. C. A. R. Desjardins being called thereto, it was moved by Mr. N. Art. Drolet, seconded by Mr. Jos. O. Samson:
That thanks be tendered to the President and Directors for the services they have rendered to the shareholders during the past year.—Adopted.

Moved by Col. H. Octave Roy, seconded by Mr. A. S. Garneau:
That the thanks of this meeting are due and tendered to Mr. Rodolphe Audette for his services in the chair, and also to the Scrutineers and Secretary for the fulfilment of their respective duties.

This motion was adopted and the meeting adjourned.

P. LAFRANCE,
Secretary.

R. AUDETTE,
President.

P. LAFRANCE,
Secretary.

Quebec, June 11th, 1919.

At the meeting of the Directors held on the same day, Mr. Rodolphe Audette was re-elected President and Mr. J. B. Laliberte Vice-President of the Bank for the ensuing year.

MONEY BANKING AND EXCHANGE

ALL BUT TWO CITIES SHOW HIGHER RETURNS

Montreal and Toronto Show New High Records

DOMINION GAIN 28.6%

Total Gain in East 37.8% and in West .4%—Winnipeg and Medicine Hat Show Falling Off

Returns of bank clearings for the week ending Thursday last from twenty-five cities reporting show an increase of $78,469,930, or 28.6 per cent., the total for the week being $352,801,449. Eastern cities show a total of $284,492,763, a gain of $78,185,783, or 37.8 per cent. Montreal clearings at $143,358,339 are the highest on record, and show an increase over the corresponding period in 1918 of $41,958,595, or 41.3 per cent. Toronto also reports a new high record, the total being $100,023,504, a gain of $27,206,282, or 37.3 per cent. All the cities in the East show gains.

Western cities show a total for the week of $68,308,686, an increase of $284,147, or .4 per cent. Winnipeg with a total of $39,648,613 shows a falling off of 9.2 per cent., while Medicine Hat is the only other city to show lower returns. Edmonton shows the largest percentage gain of 86.2 per cent., and Windsor comes next with a gain of 84.4 per cent. Following are comparative figures:

WEEKLY BANK CLEARINGS
(In comparison with same week last year.)

Eastern Cities	June 12,1919	Change	%
Montreal	$ 143,358,339 +	$ 41,958,595	41.3
Toronto	100,023,504 +	27,206,282	37.3
Ottawa	11,136,730 +	2,469,416	28.4
Hamilton	6,293,025 +	1,286,425	25.7
Quebec	5,493,270 +	955,544	21.0
Halifax	5,830,595 +	1,043,078	21.8
London	3,471,162 +	812,562	30.6
St. John	2,889,669 +	546,869	23.3
Brantford	1,107,745 +	227,507	25.8
Peterboro	831,766 +	152,219	22.4
Sherbrooke	1,011,850 +	322,764	47.4
Kitchener	1,160,893 +	343,025	41.9
Windsor	1,884,215 +	861,497	84.4
Total, East.	$ 284,492,763 +	$ 78,185,783	37.8

Western Cities	June 12,1919	Change	%
Winnipeg	$ 29,648,613 —	$ 4,049,118	9.2
Vancouver	11,470,024 +	427,236	3.8
Edmonton	3,877,380 +	1,795,402	86.2
Victoria	2,416,854 +	435,359	21.9
Regina	4,021,243 +	778,870	24.0
Saskatoon	2,031,849 +	291,192	16.7
Moose Jaw	1,549,220 +	174,946	12.7
Ft. William	851,038 +	233,300	37.8
Brandon	693,538 +	185,075	36.4
Lethbridge	696,399 +	6,565	.9
N. Westminster	593,894 +	128,260	27.8
Medicine Hat	458,634 —	122,940	21.1
Total, West.	$ 68,308,686 +	$ 284,147	.4
Grand Total	$ 352,801,449 +	$ 78,469,930	28.6
Yr. to date	$5,983,055,682 +	$632,786,505	11.8
Pr. Albert	374,569		

NOT MUCH LIFE IN EXCHANGE MART

Funds Move Within Narrow Limits and There is Not Much Buying or Selling

It has been a quiet week in the exchange market. New York funds have moved within narrow limits. There has not been much offering, and the demand has been light. Under such conditions it is rather hard to do business. The course of the market for funds has been as follows:

June 6—Opened at 2 51-64 and sold up to 2 13-16 to seller and 2 27-32 to the buyer.

June 7—Sold at 2 13-16 to the seller all morning.

June 9—Sold at 2 13-16 to the seller, closing in Montreal at 2 27-32 to the buyer.

June 10—Opened at 2 13-16 bid, but with no sellers; sold at 2 27-32 to the seller and 2⅞ to the buyer.

June 11—Sold at 2⅞ to the seller; then 2⅞ to the buyer.

June 12—Offered at 2⅞; broke to 2 13-16 to buyer and seller and closed 2 27-32 to the buyer.

June 13—2 27-32 to the buyer.

After weakening in the early part of the week, sterling exchange has frimed up again. Francs have also been somewhat stronger. Opening quotations were as follows:

	Sterling		Francs	
	Demand	Cables	Demand	Cables
June 6	4.61⅞	4.62⅞	6.50	6.48
June 7	4.62½	4.63½	6.46	6.44
June 9	4.63½	4.64½	6.42	6.41
June 10	4.62¾	4.63¾	6.46½	6.45
June 11	4.62	4.63	6.46	6.44
June 12	4.61	4.62	6.44	6.42
June 13	4.61¼	4.62¼	6.39	6.37½

NOVA SCOTIA

In connection with the recent holdup at the Bank of Nova Scotia branch at Agincourt, the directors of the institution presented each of the five residents who assisted manager Laing and his young lady assistant in securing the arrest of the two men with a cheque for $50.

John Ross, manager of the Antigonish branch of the Bank of Nova Scotia, has been transferred to Port Elgin.

A. L. Kerr, manager of the Newcastle branch of the bank, has been transferred to Antigonish.

William P. Hunt, whose death occurred recently at Montreal, was formerly manager of the Bank of Nova Scotia at that point. Mr. Hunt, who was born in Summerside, P.E.I., fifty-six years ago, was connected with the Bank of Nova Scotia in several capacities for over thirty years. He entered the bank in 1881 at Halifax and in a few years was appointed manager of the branch at Woodstock, N.B., later being appointed manager at Kingston, Jamaica, and after eight years' service there was transferred to the management in Montreal in 1902, but about six months ago was obliged to retire owing to illness.

IMPERIAL

Capt. R.F.A. Gilbert, formerly manager of the West End branch of the Imperial Bank at St. Thomas, and who has returned after three years' service overseas, has resumed the management of the branch.

I. K. Johnston who was appointed manager of the St. Thomas branch during Capt. Gilbert's absence, has been transferred to the branch at Essex.

MONTREAL

The Bank of Montreal announces the opening of a branch of the bank at St. Lambert, under the management of R. Proctor, with the title of acting manager.

ROYAL

D. Morris Robertson, who has been accountant in the Royal Bank at Regina, has been promoted to the Inspector's department of the branches of southern Saskatchewan.

COMMERCE

C. H. Brown, collection clerk of the Charlottetown branch of the Bank of Commerce, has been transferred to the branch at La Have, N.S.

W. W. Melish of the Montague branch, has been transferred to Charlottetown.

The Canadian Bank of Commerce has purchased the business block on Dundas St., London, Ont., formerly owned by the late Frank Cooper. The premises, it is stated, will be remodelled and a branch bank fitted up. The Bank of Commerce will also erect a new East End branch in London, at the corner of Rectory St. and Hamilton Road.

BANK OF ENGLAND

London, June 12.—The weekly statement of the Bank of England shows the following changes:

Total reserve, increased	£ 281,000
Circulation, decreased	186,000
Bullion, increased	94,428
Other securities, decreased	922,000
Public deposits, decreased	1,126,000
Other deposits, increased	3,260,000
Notes reserve, increased	195,000
Government securities, increased	2,771,000

The proportion of the bank's reserve to liability this week is 18.17 per cent.; last week it was 18.24 per cent.

Rate of discount, 5 per cent.

BANK STOCK CHANGES

	Last June 5	Sales June 12	Ch'ge
Commerce	202½	204	+ 1½
Dominion	207	205¾	— 1¼
Hamilton	182½	184	+ 1½
Imperial	200	198	— 2
Merchants	197	194½	— 2½
Molsons	198	196	— 2
Montreal	217	215¼	— 1¾
Nova Scotia	276	277	+ 1
Royal	213	214	+ 1
Standard	214	214¼	+ ¼
Toronto	*198	200	+ 2
Union	160	161	+ 1

*Last previous sale.

NOVA SCOTIA BUYS MONTREAL BUILDING

Bank of Commerce Has Sold the Big E. T. Bank Office Structure

By Resident Representative.

MONTREAL.—An important real estate transaction has been completed in Montreal between the Canadian Bank of Commerce, by which the Eastern Townships Bank Building, one of the finest office buildings in the city, passes into the possession of the Bank of Nova Scotia. It is the intention, THE FINANCIAL POST understands, to transfer both the St. James Street branches of the bank to the new building, closing the Nova Scotia branch now occupying the Canada Life Building at the corner of St. Peter Street and the former Bank of Ottawa branch in the tall but narrow building bearing its name on the opposite side of St. James Street from the Eastern Townships building and a little to the east. Neither office of the Bank of Nova Scotia is sufficiently large to accommodate the business resulting from the recent absorption of the Bank of Ottawa.

While no figure is mentioned, it is understood the price was well in excess of the assessment of the Eastern Townships Bank Building, which stands at $753,000. This 10-storey structure, the maximum height allowed in Montreal, is considered one of the finest office properties in Montreal. It occupies a commanding position at the corner of St. James and McGill Streets, is of imposing stone construction, and splendidly equipped, its elevator service probably not being excelled in the city. It has always proved easy to secure tenants since it was erected in 1909 by the Eastern Townships Bank, which occupied spacious quarters on the ground floor. Three years later this bank was absorbed by the Bank of Commerce, and as the latter had very pretentious quarters a little farther east on the same street, the Eastern Townships branch was closed and the premises leased to the Imperial Trust Co. at a rental said to have been $20,000 a year. This lease expired on May 1, 1918, and as the Bank of Commerce intended selling, no further leases were made. Last November the Victory Loan committee occupied the ground floor.

LA BANQUE NATIONALE

Interesting Review of Growth Since 1895

In connection with the annual report of La Banque Nationale which was reviewed fully in the issue of THE FINANCIAL POST of May 31st some interesting figures are given of the very rapid expansion of this institution since 1895, during which period the number of branches for instance grew from 11 to 260. Following is a summary of some outstanding features of this development:

Year	Assets	Deposits	Net profits	Offices
1895	$ 4,467,812	$ 2,382,167	$122,239	11
1898	6,089,165	3,385,374	130,610	13
1903	9,174,317	5,568,924	148,834	23
1908	14,087,604	9,281,218	281,696	42
1913	23,923,733	17,719,875	302,304	120
1918	41,195,179	27,213,155	435,283	238
1919	50,433,531	37,455,103	533,450	260

GOLD SHIPMENTS TO U. S.

J. P. Morgan at Ottawa to Confer With Sir Thomas White

OTTAWA.—J. P. Morgan, of New York, is in Ottawa to confer with Sir Thomas White. Although it was impossible to get an interview with Mr. Morgan, it is understood that his visit here is in connection with the shipment of British gold to the United States, which is being handled through the Dominion of Canada and consigned to J. P. Morgan & Co., New York.

A total of $12,000,000 in gold has been shipped so far, and it is understood that the final sum will aggregate $50,000,000.

BURLESON BLUNDERING

U. S. Post Office Unable to Meet Claims on Insured Parcels

WASHINGTON.—Postmaster General Burleson's department has declared a moratorium, at least so far as insured parcel post packages are concerned. This branch of the postal service is "unable to pay off."

The department has passed some 170,000 claims for lost parcels which were insured by the senders. The amounts of insurance ranged from $10 up to $100, the latter amount being the maximum. On the basis of the lower figure the Post Office Department will have to pay out $1,700,000. On the basis that the parcels were all insured for $100 each it would aggregate $17,000,000.

The department has been flooded with requests for payment for the approved claims, but until the incoming Congress appropriates the money nothing can be done.

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THE UNION BANK OF AUSTRALIA, LTD.
Established 1837. Incorporated 1880
CAPITAL—
AUTHORIZED AND ISSUED £6,000,000
Paid-up Capital £2,000,000
Res. Fd. £2,050,000 Together £4,050,000
Res. Liab. of Proprietors £4,000,000
Total Capital and Reserve £8,050,000
Head Office: 71 Cornhill, London, E.C. 3
The Bank Has 181 Branches, viz:
In Victoria 41
In New South Wales 39
In Queensland 19
In South Australia 14
In Western Australia 21
In Tasmania 3
And in NEW ZEALAND 44
Drafts upon these Branches are issued by the Head Office and may be obtained from the Bank's Agents throughout the world. Commercial and Circular Travelling Credits issued—available throughout the world. Cable Transfers are also made. Bills on the Australian States and Dominion of New Zealand are purchased or sent for collection.

Canada Permanent Mortgage Corporation
QUARTERLY DIVIDEND
NOTICE is hereby given that a Dividend of TWO and ONE-HALF PER CENT. for the current quarter, being at the rate of
TEN PER CENT. PER ANNUM
on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable
WEDNESDAY, THE SECOND DAY OF JULY
next, to Shareholders of record at the close of business on the Fourteenth day of June.
By Order of the Board.
GEO. H. SMITH,
Assistant General Manager
Toronto, May 28th, 1919.

Route Your Shipments CANADIAN NATIONAL

NEWS AND VIEWS FOR MANAGERS

VANDERLIP QUIT AFTER A CLASH WITH STILLMAN

Story Behind Resignation of President of National City Bank

IS VERY PESSIMISTIC

Can See Nothing Ahead But Grave Difficulties in Solving the Many Problems of Reconstruction

NEW YORK.—The resignation of Frank Vanderlip from the presidency of the National City Bank of New York, one of the leading financial institutions of the United States, is interestingly explained by the "Wall Street Journal" as being the result of a clash with James A. Stillman, who succeeds his father as the dominant personal force behind the administration. The difference of opinion arose over the frank—if not pessimistic—statements of Mr. Vanderlip regarding economic conditions in Europe. In brief, the bank which is also the parent of the National City Company has shown its disapproval of "blue ruin" talk. This is not regarded in New York as a matter for surprise. It is being asked for instance: "How could the National City Company expect to sell securities if the world is as sick as Mr. Vanderlip says it is?"

While generous credit has been given to Mr. Vanderlip for making the American people appreciate the dark side of Europe's post-war problems, there were many who considered that Mr. Vanderlip had overdrawn the picture. Because of his prominent position, Mr. Vanderlip's remarks were all the more disturbing.

Vanderlip and Stillman

For years the names of the National City Bank and Frank A. Vanderlip have been synonymous throughout the country. Aside from the effect of Mr. Vanderlip's words on this side it was felt that certain statements would be taken exception to in important quarters in France and England.

It was not disputed that Mr. Vanderlip has been a great upbuilder of the City Bank in recent years. The bank needed just such a man as Mr. Vanderlip, with his liberal tendencies and ideas of publicity. The late Mr. Stillman, although he was the genius and creator of the premier bank of the country, was quick to see the necessity for a man like Mr. Vanderlip when he put him at the head of the institution, ten years ago.

But some time before his death Mr. Stillman was not wholly satisfied. He returned from France in 1916 and assumed closer control of the internal administration than he had done for many years. It is said that Mr. Stillman was not pleased with expansion into branch banking at a time when Europe was in the throes of war. He believed the bank was being committed to rather too great responsibilities. And there were other matters that were not exactly to Mr. Stillman's liking.

James A. Stillman has been certainly no less disposed than his father to disagree with Mr. Vanderlip's methods and frank temperament. There have been frequent clashes of opinion between the two during the past year or so, affording ground for rumors that Mr. Vanderlip would, sooner or later, resign from the presidency. Young Mr. Stillman has all the family traditions of conservatism, aloofness and independence. Unassuming in his manner, with apparently a desire to enjoy his inherited wealth, "James A." has nevertheless, on frequent occasions, given unmistakable evidence that he is not only the controlling influence in the bank but well capable of exerting that power. He has unmistakable latent ability. When Mr. Vanderlip delivered the Economic Club speech, James A. Stillman concluded that the time had come when the bank should be represented by a different policy.

Following are some extracts from Mr. Vanderlip's serious summary of the European situation:

> I believe a hurt has come to Europe that may be greater than any hurt that is measured by the destruction that war has wrought directly, a hurt that might be more terrible than the hurt of war in its toll of life, and that hurt is the disorganization of the whole industrial machine of the continent of Europe, and in a lesser degree of England.
>
> I do not minimize that possibility one whit when I turn later to look at a more cheerful side of the situation That picture of grave danger to the fabric of civilization of Europe is a true picture. I am hopeful, very hopeful, that the worst possibilities of that picture will not be realized. But there is inflammable material in every European nation just as there is with us and that material can blaze revolution and it will if the people are subjected to sufficient want, hunger and distress. You know we would all be Bolsheviks if we got hungry enough, and it is hunger and want that has driven people to this question of the order of society.
>
> **Raw materials can be paid for in but three ways: in gold, other materials or credit. But Europe has no materials now for export; her gold reserve is utterly inadequate to purchase the raw materials she needs; she must, simply must, for a while get vast credits. But that isn't the European manufacturer's only trouble. Take just the one question of currency: some of the European nations "have a variety of currency at the present time that would be almost laughable except that it is horribly serious."**

OFFICIALS GETTING CLOSE TO MANAGERS

Interesting Departure of Union Bank in Arranging Conventions With Staff

The opening at Calgary, yesterday, of the first of a series of conventions of branch managers of the Union Bank of Canada, emphasizes that desire on the part of head office officials to keep in intimate touch with outlying points. The Union Bank of Canada now has some 230 branches throughout the Western Provinces, this development of its chain of branch banks being in accord with the policy of this pioneer Western banking institution.

Conventions will be held at several points including Calgary, Edmonton, Saskatoon, Regina and Brandon, and each convention will be attended by fifty or more of the branch managers in the immediate district. H. B. Shaw, general manager, John Galt, the president; W. M. Chandler, superintendent of Western branches; B. B. Carter, superintendent, of Eastern branches, and E. M. Dawson, manager of the foreign exchange department at Montreal, are among the higher-up men in the bank's service who will address the conference.

The Union Bank of Canada has been making notable progress since the commencement of this year, some fifty new branches having been opened. Many of these represent the reopening of branches that were at "unprofitable" points during the war period, but now business has been resumed with a desire to have the bank assist in the upbuilding of the community in the era of reconstruction. An important move has recently been made with the establishment of new branches at several points in the Maritime Provinces.

SCHAFER IS SENTENCED

The Minnesota Bank Wrecker Will Serve a Term

William H. Schafer, whose sensational career in high finance which resulted in the wrecking of a number of Minnesota banks has been referred to several times on this page, has been sentenced to a term of one to ten years for grand larceny. In connection with Schafer's operations, which would not be possible under the banking laws of Canada, the commercial West, Minneapolis, pleads for more efficient legislative protection as follows:

> It is quite evident from Mr. Schafer's plea of guilty and his elaborate statement of his financial doings, that he is entirely out of his element in meddling with either banks or investment concerns, even if one is charitable enough to concede that he originally intended to do nothing criminal. Swapping notes and juggling assets of different concerns after the manner of Mr. Schafer is not sound banking or good financing. It is to be hoped that the new banking board of the State of Minnesota will be able to prevent any more of such reckless promoters as Mr. Schafer getting a foothold in the banking business in this state.

BANKS NEED MORE ROOM

Expansion a Factor in Congestion in Wall Street.

NEW YORK.—One of the causes which has contributed materially to the congestion of office space in Wall Street is the unparalleled growth of banks and trust companies since the outbreak of the war. With their business expanding by leaps and bonds during this period, the institutions have been obliged to approximately double their quarters and personnel, and many a brokerage house, industrial concern and legal firm has been crowded out of offices it has occupied for years in order to make room for this growth. Even then sufficient space has not always been obtained, and banks have been forced to lease additional quarters outside their buildings, or acquire adjoining property or erect new structures for the accommodation of their increasing business.

The reasons for this tremendous expansion of the banking business have become familiar to even the casual observer of banking developments. It has been most marked since our entry into the war, for the Government in financing its war operations and extending aid to the Allies has had to lean heavily on the banks of the country. They have been indispensable in the successful flotation of the several Liberty Loan issues and the intervening omissions of Treasury certificates of indebtedness.

OPEN DISCOUNTS AND FOREIGN TRADE

An American View of Question Now of Interest to Canadian Bankers

The practical advice of Lloyd Harris, that Canadian manufacturers and bankers get together to develop Canadian export trade independent of the Government, has given rise to discussions in Canadian financial circles of the advantages of an open discount market. This subject of open discounts in foreign trade is dealt with in the article which follows, by Jerome Thralls, Secretary, Discount Corporation of New York.—J. W. T.

Impelled by motives higher than that of profit, industrial, commercial and banking interests banded together during the past four years in a tremendous endeavor to increase production and stimulate manufacturing to a degree that would enable America to supply the abnormal needs of foreign countries.

One most important feature of the financial system, essential to its success, heretofore given little attention is now being developed. It is the open discount market. Makers of acceptances and the financial institutions which endorse them must be assured that there will be a ready market for their bills at stable rates. Through the organization of strong discount houses in important centres, the development of a comprehensive market is assured.

During the initial stages of the use of the acceptance system of financing the Federal Reserve Banks have done great work. On account of the extremely heavy demands in the way of Government financing, and for the purpose of encouraging the Acceptance System and enabling the Government to get its funds at level rates, the Federal Reserve Banks have served as a primary or initial market for bills, conforming to the provisions of the Federal Reserve Act and the regulations of the Federal Reserve Board.

It was not intended, however, that the Federal Reserve Banks should serve as a permanent primary market for acceptances. The open market operations of the Federal Reserve banks were intended to be the means through which the discount and interest rates might be regulated. Discount houses and other acceptance dealers in the face of great obstacles are now turning daily, a volume of many millions of dollars in prime bankers' and trade acceptances. Certain of the dealers are confident of handling respectively a volume of over a million dollars in this character of bills during the present year. The margin on which this great volume is turned will likely not exceed 1-16th of 1 per cent. per annum which on the average maturities of sixty days yields one per cent. per hundred dollars.

Prime bankers' and trade bills serve as a basis of currency and are immediately available for rediscount at the Federal Reserve banks. These bills are based up by the assets of strong banks, carry the responsibility of the drawer and are usually collateralized by readily marketable staples. Their liquidity, safety, and soundness make them the best available investment for those who have temporary funds for employment.

The stability of the rates on this character of paper is evidenced by the fact that during a period when the call money rates fluctuated from 1¾ to 12 per cent. the rates on bankers' acceptances fluctuated only from 2 to 4⅜ on ninety day maturities and on Trade Acceptances the rates fluctuated in this period from 3 to 5½ per cent. on bills of ninety day maturities.

Through the Gold Settlement Fund of the Federal Reserve System, the funds arising from maturing bankers' acceptances in any Federal Reserve centre may be made in any other Federal Reserve centre by wire without cost. This makes a bank acceptance, in addition to an excellent investment, a most convenient form of exchange through which funds are transferred from one section of the country to another. What applies in the open market transactions as between different sections of the United States may after the acceptance system is more fully developed, apply as between nations, thus enabling an automatic flow of funds from the country where the surpluses exist to the country where the funds are needed for employment in commercial and and industrial activities. It will serve as a stabilizer of rates as between nations.

When the clearing house idea originated, it was used for the purpose of exchanging local checks and settling local business only. It was later extended and utilized in the handling of business within certain states or districts and finally through the Federal Reserve System, the clearing House idea has been made to cover the entire United States.

GRASSHOPPERS DOING SERIOUS DAMAGE IN WEST

Continued from page 1.

be; one or two districts state five per cent. of the entire crop, but these districts are not numerous. The work of extermination was hampered by the strike as poison could not be sent out by express and had to be taken out two and three hundred miles in motor cars. Carloads of bran that were needed for the same purpose were difficult to obtain for the same reason.

It will be another ten days at least before it will be possible to say that the danger is over, but at present writing the plague is fairly well in hand. These insects are not the 17-year locusts or anything like them, as they complete their life's history in a single year. The mature hoppers came across from the Dakotas and Minnesota last Fall and occasioned considerable annoyance by eating the bands of binder twine, letting loose sheaves. They laid their eggs along the grassy roadside, and the excessive heat of May gave them rapid and especially prolific development.

In the north and centre of all the provinces there are complaints of cutworm damage, especially to oats, but on the night of the 11th and morning of the 12th there was heavy and fairly general rains, which will no doubt help these districts.

Wheat Outlook Good

The wheat crop is well rooted and well stooled, and with general rains from now on the outlook is for an excellent crop. The reports so far received indicate that there is practically no increase in wheat acreage, and in some of the provinces an actual decrease in acreage. It will be difficult, if not impossible to ascertain this accurately, as the cards usually sent out before the schools close for the summer, and distributed through the children for returns of acreage, never came through owing to the strike, and this source of checking will, this year, have to be abandoned so far as Manitoba is concerned, and possibly Saskatchewan also.

In driving over Manitoba, at least everyone is struck with the very large areas that have been left for summer fallow, indicating a decreased acreage. The usual amount of fodder corn has not been planted as the strike came just in time to prevent the seed corn being shipped. The reports received indicate that in many districts labor is short, and all of it is dear. The average rate of wages is from $65 to $75 per month and board, and many farmers are curtailing operations on this account. The situation with regard to butter and eggs has not improved so far as Manitoba is concerned, as the express messengers are still out and the loss through cream not reaching creameries and eggs not coming into cold storage has already run into millions, and indicates very high prices for these commodities next winter.

Livestock trade is seriously disrupted also, and the supply of fresh killed meat in Winnipeg is growing very limited as there are no regular killing crews in any of the packing plants excepting Swift's. Reports from the country indicate that practically all of last year's wheat is out of farmers' hands.

MARCONI WIRELESS

Reduction of Value of Shares Proposed to Stockholders

By Resident Representative.

MONTREAL. — Shareholders of the Marconi Wireless Telegraph Co. of Canada will be asked to consent to a reduction in the nominal value of their one million shares from $5 to $2.50 each. They will be offered a chance to subscribe to 400,000 new shares at the same price, the British company taking all not subscribed for in Canada.

National Life Preserver Co.
of New York

I will sell 87 shares of this stock
for $35.00 a share

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Limited
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Sun Life Bldg., 60 Victoria St.
Toronto, Canada

CANADIAN NATIONAL
Route Your Shipments

The John Wood Manufacturing Co., of Conshohocken, Pa., has purchased a site of 3¾ acres in Toronto, on which a Canadian branch factory will be erected for the manufacture of sheet, plate and kitchen range boilers.

A True Business Story

Two business men in Toronto adopted several safeguards for protecting their business.

They installed automatic sprinklers. They bought a cash register and a cheque protector. They bonded their employees. They carried fire policies. They bought an expensive safe. In fact, they secured nearly every protective device and agency that they could think of to guard against any contingency that might arise, and felt sure that nothing less than an earthquake could interfere with their progress and prosperity. They were doing a good business. Their stock-in-trade was worth a considerable sum and the bank and wholesale houses were giving them credit.

But, something happened---something they had not counted on to happen for many years to come. One of the members of the business got a fatal attack of pneumonia.

The wholesale firms, to whom they were indebted for a good part of their stock, made inquiries as to whether the business was to be continued. The bank asked to have a note taken up at maturity without fail. The widow decided to withdraw her late husband's share of the business. To make a long story short, the business was closed at a loss to the surviving member, a loss to the widow, a loss to the bank, a loss to the creditors, in fact, a loss to all concerned.

The trouble was that the partners had overlooked one of the most important means of protecting their business—a Canada Life Commercial Protection Policy.

OUR COMMERCIAL PROTECTION POLICY

would have saved the business. The spot cash received from the policy would have cleared off the bank note in full. The widow would have received the value of her husband's share without any sacrifice. The creditors would have been satisfied. And the surviving member would have had surplus cash on hand. A Commercial Protection Policy means "long life to business."

Ask for particulars about our COMMERCIAL PROTECTION PLAN.

Canada Life Assurance Company
TORONTO

THE FINANCIAL POST

President - - - - - JOHN BAYNE MACLEAN
Manager - - - - - - GORDON RUTLEDGE
Editor - - - - - - - - J. W. TYSON

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TORONTO, JUNE 14, 1919

SIR THOMAS WHITE'S BUDGET

THERE was no possibility that the budget of Sir Thomas White would give universal satisfaction. There was no chance of reconciling the many extreme factions concerned. Under all the circumstances, and considering the many problems which the minister had to deal with, we believe that the consensus of opinion is that the budget may be called a success.

True the farmers are not satisfied. But neither are the manufacturers for that matter. And yet we are of the opinion that the representatives of the former in the House will find it hard to justify a "bolt" on this issue. If the rural populace did not get the relief in tariff levies demanded, it should not be forgotten that the increase in the income tax is very largely a burden upon those who live in the cities, and that the profits tax continues to hamper business operations. But over it all it must be kept in sight that there is a huge national debt that must be financed. That, after all, is the most pressing problem of the Finance Minister.

The idea of appointing a committee of experts to consider the whole tariff policy before interfering with the duties in any general way is one which we heartily endorse. We have long advocated a tariff commission. Further we could repeat that such a body should be formed of independent representatives of the farmers, the workers and the manufacturers and that its status be such as to take it away from political influences. There are those who favor a commission of technical experts, but this ignores the prime consideration of reconciling the various factions concerned; technical experts could serve in an advisory capacity.

Industrial conditions have been so long unsettled that the tariff schedules should be very carefully considered in relation to various industries. A blanket tariff is not intelligent. We have recently heard of a manufacturer who has a protection of 42½ per cent., and who has said that he could get along with 12½ per cent. In that case there is too much protection. In other cases there is not enough. And then there is the question of revenue which must not be lost sight of. By all means let us have a commission of practical authorities to study this whole question.

There will be the Crerars who will bolt and the Cockshutts who will complain, but we predict that the White budget will weather the gale of Parliamentary debate without serious damage and will be safely brought to port by a goodly Government majority.

THE COMMITTEE OF ONE THOUSAND

ALL Canada—and the United States, too, for that matter—owes a great debt to the Committee of One Thousand, of Winnipeg, the members of which have so well fought and continue to fight for the democratic rights of the citizens against the insidious propaganda of the Bolsheviki element. For a short time this city of over two hundred thousand souls was under the rule of a Soviet. The seat of Government was transferred from the City Hall to the Labor Temple where misrepresentatives of Trades Unionism were in power. Street cars were stopped; telephone service suspended; public health and property were placed in jeopardy and citizens worked and lived only at the pleasure of a few adventuring demagogues willing to attempt any and all kinds of experiments with institutions which are the development of centuries of progress.

It was at this crucial moment that the Committee of One Thousand took its determined stand. Prompt and decisive action replaced the balance of power where it belonged. Had there been any indecision, the movement might have successfully swept both Canada and the United States.

The Committee of One Thousand still has a big task to perform. The fight is not yet altogether won. But their example in determinedly fighting this insurrection against constitutional Government has proven a wide influence in giving strength to the opposition in other cities against similar uprisings.

The interference with the plans for quickly spreading the movement throughout the country has given the needed opportunity to the leaders of the established Trades Unions to take control of the situation and in their hands lies the solution of the great problem of labor unrest.

The Committee of One Thousand is saving Winnipeg. Old-fashioned Trades Unionism with the intelligent co-operation of employers will solve the larger problem.

PROTECTING THE PEOPLE FROM THEMSELVES

THE attitude of antipathy by the people towards policemen and public sympathy for condemned criminals are evidences of that peculiar human trait which is being astutely and effectively played upon by the public ownership supporters in their agitation against the Government, the Senate and the Privy Council for defending private rights and opposing the confiscatory effort at Ottawa to cancel charter privileges. The clever tactics of creating a general issue of public versus private rights do not alter the fact that in the last analysis it is—Beck and public ownership versus Mackenzie and investors' interests, and that the Hydro crowd, having manipulated Provincial legislation to suit Beck's every whim, are now endeavoring to make use of the Parliament of Canada to the same end.

The course of the Senate in throwing out the amendment to the Railway Act which would have the effect of breaking faith between Canada and pioneer investors who financed the development of power at Niagara is, in effect, protecting the people from themselves. This conceding that in their attitude on the matter the representatives of the people correctly interpret public opinion—misguided though it may be—on the question. There is no other course which that body can take. In so doing it stands with the highest courts of the British Empire for those constitutional individual rights which are the basis of British justice and democratic civilization.

Just as the public must be protected by the law from its own sympathy for lawbreakers, so must the people be protected in the maintenance of individual rights despite what has been referred to by Senator Lougheed as the passing caprice of the mob. The rights of the investors in this case are identical with those of individual owners of property or money. For the majority in any community to decide to confiscate the real estate or funds of any citizens would be Bolshevism as it is understood in this country. Yet, that in effect is exactly what is proposed by the representatives of the people of Canada when they favor breaking faith in the contract upon the strength of which investors bought bonds in the Niagara Power enterprises.

WHAT OF THE TRADES THEMSELVES?

TRADE Unionism is to-day the centre of interest in political, industrial and social life. The whole national fabric is being stretched to an alarming point by the strike demonstrations at Winnipeg, Toronto, Vancouver, and other cities. Sane, conservative union leaders and old-fashioned unionism are providing a restraining force against the Socialist element and its Bolsheviki program. But what of the trades themselves? In many respects "the old order changeth," and the evolution of industry is having its effect upon those who take part in it.

"Back to the trades" is an editorial slogan of the Arthur *Enterprise*, which contends that it is just as important that there should be young men for apprenticeships in the country towns as that there should be young men to till the land. We read:

> In Arthur there are opportunities to learn eight or ten of the best trades, yet, we doubt if there is a single apprentice who has seriously set himself to master any one of them, and what is true of Arthur is true of the great majority of country towns. Among the first class trades that can be learned in the country better than anywhere else are printing, tailoring, blacksmithing, milling, baking, harnessmaking, planing, milling and the boot and shoe trades, but their attractions no longer appeal with any great force to young men of the country and country towns. Who will carry on these trades in the course of ten or twenty years in the country districts, is a question not readily answered.
>
> An Arthur blacksmith remarked to us the other day that "When we (meaning the present blacksmiths) wear out, the farmers will have to do their own work, no one is learning the trade now." No one in Arthur has learned tinsmithing for several years, although the opportunity so to do is the very best. We doubt if there is a young fellow learning the printing trade in Wellington County.

The writer of the foregoing believes that the small towns are alone the sufferers in this regard and that trades are as popular as of old with the youth of the cities. We doubt if this holds good. We are rather inclined to think that the gradual evolution of industrial conditions, with marked improvements in machinery, is having the effect of rendering to a large extent unnecessary the long years of apprenticeship which were so well served when men produced complete articles with their own hands. Now a worker with little experience may soon master a machine and efficiently execute one operation in the manufacture of an article without studying other relative operations. This was developed to a practical scale during the days of forced production on munitions. Further, such is the value of labor to-day when applied to modern machinery that it is difficult to get a youth to serve several years at small wages, nor is it for that matter necessary that he should do so in order to be an efficient producer. In brief, this is an age of specialization, when he who knows one thing well is often more valuable than he who knows many things indifferently.

Thus, instead of spending several years to learn many phases of a trade we find youths efficiently doing one process on brief experience. For the higher positions in industry, the technical schools are producing graduates who are scientifically equipped. Machinery and science are to a great extent taking the place of the years of apprenticeship. These are conditions to which progressive trades unions should adjust themselves. It is not economically sound to have youths wasting their time along old-fashioned lines when they might be producing, nor is it fair to keep them from their rightful wages as producers.

EDITORIAL NOTES

THE Toronto *Globe's* observation that: "Faced with the problem of raising revenue or reducing the cost of living, the Finance Minister has chosen to raise revenue," is just plain political dirt.

* * *

THE Saint Maurice Forest Protective Association is to employ flying machines to aid in fire-fighting. Ontario considers winged patrolling too expensive. It seems difficult to raise enough money to finance Sir Adam Beck's schemes and protect life and property as well.

* * *

SIR ADAM BECK'S policy of establishing his own enterprises and putting others out of business when by purchasing existing services they could be linked up and economically utilized—the wrecking of the London and Lake Erie Railway is a case in point—is criticized by the Hespeler *Herald*, which says:

> The MacKenzie and Mann line from the Falls to St. Catharines is now under Government control. Hamilton and townships have sanctioned the purchase of the lines from Beamsville to Oakville. Just why Sir Adam should be paralleling these lines when the existing lines could be linked up and improved at considerably less money does not seem apparent.

The theory of some newspapers that certain features of Sir Thomas White's budget were arranged for the special benefit of Montreal capitalists, should appeal to the sense of humor of the latter.

WHY DID WE LET TROTZY, BOLSHEVIST LEADER, GO?

By LIEUT.-COLONEL J. B. MACLEAN.

Continued from last issue.

But it did not end there. On the other hand it began to show itself, particularly in Toronto, where flourished one of the most important groups of Anarchists organized by Trotzky to prepare for the Canadian revolution. At one time there were over 1,600 members in this group and they did some sensational work with the local press and on the unsuspecting returned soldiers. When the leaders advocated the raid of stores and private homes the police took some of them in and they are now working in smaller groups.

At Ottawa Trotzky had, and continues to have, strong underground influence. There his power was so great that orders were issued that he must be given every consideration—issued when it was known at Ottawa who Trotzky was. Even after he went through the form of the Brest-Litovsk Treaty, which took Russia out of the war, orders were given to Col. Chambers, the chief censor, to forbid any but complimentary references in the Canadian Press to Trotzky and Lenine.

Notwithstanding all the statements to the contrary in the Toronto Trotzky press the censor but once blue pencilled a word, a line, or an article of the many published in these columns and part of that was because it dealt unfavorably with Trotzky.

Trotzky agents here are appealing to the baser elements by showing the rich plums to be had by revolutionary methods. In scores of meetings across the continent audiences are being told that they, the proletariat, should rise and seize anything they want. As they have little they will lose nothing in the attempt. Stories of the big, fat, voluptuous opportunities that have come to their associates in Russia have been brought back to America, and have stirred the blood of the envious, until to-day over 8,000 organizers are at work urging Trotzky revolution.

On the date set the people of the United States and Canada will, they expect, awaken in the morning to find all their possessions in the hands of members of the Revolutionary League—the homes, the shops, the factories, the farms, the banks, the women. The old foremen, superintendents, managers are to be removed, and the organizers are to take their place and they must be implicitly obeyed. W. B. Wilson, a miner, for many years general secretary of the Miners' Trade Union of America, and now head of the Labor Bureau at Washington, in a recent speech to a gathering of waist workers in New York, said:

"The Bolshevik leaders consider only themselves. Their only purpose is to rule as the czars and emperors of Europe have done. They even go further than that, for they propose to set up an obligatory and compulsory form of living. Men are not to be allowed to leave their jobs under certain conditions even if they want to."

New York and Toronto are the chief Trotzky headquarters. One investigator, a trade unionist, who is fighting them strongly, told me they are using as much paper in one week in New York for disseminating their literature, as the leading daily in Canada uses in six months. At their depots a continuous stream, young persons chiefly, is passing in to purchase the literature, a set of which costs $7 to $10. In the States they had arranged to inaugurate the revolution in Seattle, but the prompt action of Mayor Olsen stopped them. In New York a manifesto from Mayor Hylan checked their ardor and made the leaders think. Now the word is going from group to group that July 4 has been set for the revolution in the United States.

Influence Reaches Ottawa

The Trotzky power showed in another development in Ottawa. The persistent propaganda campaign carried on by his agents, through his groups in Canada, to hamper our war efforts and bring on labor, returned soldiers and similar troubles in Canada, was exposed by our own Intelligence Departments, and U. S. officials were continually finding their trails leading to Canada quite as much as to Mexico. Things became so bad that the Dominion Cabinet appointed C. H. Cahan, K.C., to take over the whole problem from our Department of Justice. In a short time he uncovered such a serious state of affairs that once more the Trotzky influences got busy and Mr. Cahan was ordered to cease his inquiries and send in his resignation.

In thus exposing Trotzky and his influential friends in this country I am expressing no opposition to the aims of the Russian masses who rebelled against conditions. On the other hand, I, in common with all worth-while Canadians, were in general sympathy with them. As a matter of fact Lenine and Trotzky had nothing whatever to do with the Russian revolution. They neither inspired nor made it. When the revolution and the country was being reorganized to continue the war in conjunction with the Allies, these two men forced themselves on the Governing Committee and backed by ample money and aided by other German agents seized control. Nearly all of these agents were passed back to Russia via Canada. They were quickly placed in all the big strategic appointments. One group who sailed on a C.P.R. steamer from Vancouver had with them a large printing outfit. They had confided to the sailors that the plant was to be used for printing Trotzky literature, and the entire outfit was soon after at the bottom of the Pacific. The sailors belonged to the British union.

There was nothing new about the Trotzky grab in Russia. It is the old steam-roller method. It has been done hundreds of times in Canadian politics—the seizing of organizations and party conventions by the ward heelers to thwart the wishes of the people. But in all history there never was such a brilliant coup—the complete submission of a nation of 200,000,000 to two recently arrived enemy strangers. It was the cleverest of all the clever things the Germans did in the war. Though, as they look back on events, the Germans, whose greatest sufferings were since then, must now curse Trotzky as we do.

Trotzky, in all his earlier gatherings in Russia, was well known as a German. He never denied it. He was openly accused of being a German agent and spy. But he possesses such a marvellous capacity to control a mob that he quelled all opposition. Men who came to shoot remained to support him, which reminds one of Bourassa. The Hon. J. L. Tarte, who himself well understood the platform art and the management of men, told me Mr. Bourassa was such a clever orator that he sometimes made him believe right was wrong.

The British Foreign office was warned long in advance, but, anyone who knows ward politics in Canada or the United States knows how useless if not dangerous, one of our dignified intellectuals, with the added gift of brilliant oratory, would be in handling questions where the opinions of the masses is concerned.

There is genuine unrest in Canada, as elsewhere, but it is a legitimate development, which will lead to a better world. It was here before the war. But in no country in the world was there less cause for discontent. The advantages and opportunities have nowhere been better. There is practically no hereditary wealth. The men of means, the men at the head of industries, nearly all came from the farm or the poor workman's cottage. They got there because they had a little more mental equipment, but mainly because they were wiling to sacrifice many pleasures in their younger days, and to work longer hours than the less succesful.

Trotzky's organizers are seeking to direct the unthinking masses of this discontent into their camp and through them to seize control here. Make Canada another Russia as it is to-day. They have ample funds. Experienced trades unionists are having no easy task combating the insidious propaganda. They, even the most radical of them, know what fakers the Bolshevist leaders are. But are they getting the support they should from employers, from managers, from superintendents? They are not. Too many of the latter are of narrow vision who resent any change in economic relations. In the past the trouble has been on the side of the Labor Unionist. He always regarded the employer as his national enemy—a profiteer. He refused to interest himself in the institution from which he drew his living. To-day he is demanding his share of the profits in his industry; more of the comforts of life, a voice in the control of the concern in which he is employed. Many of us welcome this development. It is what we have been wanting—the community spirit. Ignorance has kept employer and employee apart. The Unionist sees only his own section of work. Employers have not been successful in interesting him in their side—that is the business as a whole.

The first step is to recognize bona-fide trade unions. Thirty-five years experience confirms my support of them. There are seven dfferent unions with me here getting out this magazine. I have had many a fight with them—am likely to have more, but that has never changed my support of organized unionism.

PERSONALS

HOWARD G. KELLEY, president of the Grand Trunk System, has been elected a member of the executive committee of the American Railroad Association, a body embracing all the principal United States and Canadian railroads. Mr. Kelley has been a member for some years past of the committee on relations, now the general committee on transportation.

GEORGE H. ROSS, who has become a partner in the brokerage firm of J. G. Beatty and Company, Toronto, which has seats on the New York Exchange and the Chicago Board of Trade, retires from the Bank of Ottawa, in which institution he has served for twenty-five years. For the past four years he has been manager of the main office of the Bank of Toronto. Beatty and Company hold the distinction of being the only Canadian partnership with a seat on the New York Exchange.

HUGH A. ALLAN, who has been elected to the Board of the Royal Trust Company, Montreal, succeeds his cousin, Sir Montagu Allan, who withdrew owing to the fact that the Merchants Bank, of which he is president, had just organized a trust company itself, the Bankers' Trust Company. Mr. Allan's name is closely linked with the history of shipping interests in Canada, as he is a son of the late Andrew Allan, who in association with his brother, the late Sir Hugh Allan, organized the Allan line of steamships that was later taken over by the Canadian Pacific Ocean Services. When his father died, Mr. Allan with his brother, the late Andrew A. Allan, carried on the steamship business. Mr. Allan has lived in England for some time, but in future his home will be in Canada.

WILLIAM SHIVES FISHER, who has been made second vice-president of the Canadian Manufacturers' Association, is vice-president of Emerson & Fisher, Limited, dealers in hardware, stoves, grates, etc., at St. John, and is one of the best known figures in the commercial and industrial life of the Maritimes, being president of the Enterprise Foundry Company and vice-president of the Enterprise Hardware Company. Born in the city in which he has spent an active business career he started with Adam Younge in 1870 and took charge of that business a few years later. He established in the present business of Emerson and Fisher in 1878. He has always been active in public affairs in connection with industrial and philanthropic organizations and holds executive positions on many such bodies in his home city and native province.

ALBERT EDWARD DYMENT, who has been elected vice-president and chairman of the board of directors of the Canadian General Electric Company, Ltd., to fill the vacancy coused by the death of W. D. Matthews, is a well-known figure in the financial and business world. He is senior partner in the firm of Dyment, Cassels & Company, stockbrokers, and in addition to his connection with the General Electric Company is a director of the Royal Bank of Canada, the Mercantile Trust Company, and the Wallaceburg Sugar Company. He is also vice-president of the Maritime Coal, Railway and Power Company, president of Dyment Securities Loan and Savings Company, and vice-president of Canadian heatres, Ltd. Mr. Dyment who was born in Wentworth County, learned the lumber business with his father's concern and holds an interest in the business of Mickle, Dyment & Company. He is well known on the Canadian turf having with his brother established the Brookside stable which produced a King's Plate winner in 1912.

LETTERS TO THE EDITOR

IS THE PUBLIC DISHONEST?

Office of the Mayor, Ingersoll, Ont.
Editor, The Financial Post,

Sir: I have read the editorial "Is the Public Dishonest," and I cannot but say that I believe the writer of that editorial knows himself that the public is not dishonest. I, however, know the dishonesty of certain small sections of the public has roused the public to the stage that the people demand at the present time that the injuries of the past be removed.

As you know I have on more than one occasion believed it my duty to criticise the Hydro Electric Commission of Ontario. My reason for this criticism has not been, however, that I am not in favor of public ownership but because I have felt that the municipalities in the hydro zone should have a greater say in the handling of the great project in which they are so deeply interested.

However in so far as the action of the House of Commons of which your editorial refers we know they passed the amendment of the Railway Act which takes away from private corporations the unjust concessions which were given them by the parliaments of the past. I can but say I rejoice that this parliament has been forced by weight of public opinion to give to the public relief from the control by private ownership of countless charters which work against the interest of the public.

You refer to the senate and state that they should stand firm against passing this amendment. I remark that if the senate wish to continue as a senate it will be well for them to pass this amendment to the Railway Act.

In conclusion it is my opinion that the public rights were not considered in the years gone by and in my opinion it has been because of the dishonesty of former parliaments that charters were granted wholesale to private corporations who have on more than one occasion played the dog in the manger by not using these charters themselves and not wanting them used by any one else and in so far as I am concerned I would be ready at any time to join with others to fight the fight of public ownership as against that of powerful private corporations who have been given altogether too good treatment in the past.

I hope you will publish this letter, giving my views as regards your editorial.

Yours truly,
J. V. Buchanan, Mayor.

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INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Many questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct

LAKE SHORE

Inquirer, Prescott.—"Would you kindly state when Lake Shore paid its last dividend? Do they pay four dividends a year? Has the mine both gold and silver ore? What is the acreage? Do you consider the stock a good buy? Will it pay more than 10 per cent. later on?"

The last dividend paid on Lake Shore stock was 2½ per cent. on Mar. 27. It had already paid 2½ per cent. on August 20, 1918, and 2½ per cent. on Dec. 10, 1918. It is not a regular quarterly dividend basis but will probably continue to pay about 10 per cent. per annum. Lake Shore is a gold mine. Its property comprises 160 acres. We regard its shares as a fairly safe buy, having in mind the various uncertainties that always attend such enterprises. There is no early prospect of higher dividends, as surplus profits are going into development.

MacINTYRE

Inquirer, Prescott.—"Kindly give me a note on the quality of MacIntyre ore. Do you consider the MacIntyre a good mine for some time to come, say two or three years?"

The average value of MacIntyre ore treated during the last fiscal year was $10.05 a ton. It is likely that the average value during the present year will be higher, as more high-grade ore has been used. The year has witnessed the discovery of light-yielding veins, which should increase the value of ore reserve very materially. The MacIntyre is one of the established gold mines of the Porcupine district, with plenty of ore in sight to keep it going for a good many years. As a gold mining stock, MacIntyre is one of the best purchases in the whole list.

SOUTHERN OIL

J. W. P., Toronto.—Can you give me any information regarding the Southern Oil and Transport Corporation with interests in Mexico?

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The directors of the Southern Oil & Transport Corporation are, John F. Wallace, chairman; C. F. DeGanabl, president; C. H. Rathbone, vice-president; C. L. Ward, secretary-treasurer, these four forming the executive committee, Col. John M. Denny and F. B. Church. The head office is at 120 Broadway, New York.

The company, which was incorporated in October, 1916, acquired control of the Scottish Mexican Oil Co., Ltd., the Tampico Navigation Co., the Fuel Oil Distribution Corporation, the Tank Ship Building Corporation and the Tal Vez Oil Co. The corporation also owns a fifty per cent. interest in the Producers' Terminal Corporation, owning terminals, harbor storage and loading facilities at the port of Tampico. The various properties controlled by the company include lease oil rights on approximately 46 square miles territory in the oil fields tributary to Tampico; land terminals and a fleet of vessels engaged in transporting oil from wells to the seaboard; a sea going oil tank barge operated between coast ports; also necessary power plants, pipe lines, shipping facilities, etc.

The last available financial statement showed assets of $11,895,000, of which $11,000,000 was invested in stock of the subsidiary companies referred to. The authorized capital was $20,000,000, of which $11,650,000 had been issued, including $8,935,080 outstanding and $2,[illegible]14,910 held in the treasury.

UNION BANK

Picton.—How do you regard the present standing of the Union Bank and its prospects for permanent growth? I understand that it is branching out considerably and that it has increased its rate of interest payment during the past three years, but this does not seem to me sufficient to warrant investment heavily.

We would regard Union Bank stock not only as a good investment at its present price, but one with some attractive speculative possibilities for the future. At its present rate of 10 per cent. it is returning about 6¼ per cent. on the investment at the current market price, which is an attractive return for this class of investment. The management has recently been most aggressive, not only with regard to the development of new branches in Canada, but also in opening up facilities for the expansion of foreign trade. These plans we would consider were based upon sound judgment from the showing which the bank has been making under the present administration. Considering the trend of the investment situation we would consider that on a 10 per cent. basis Union Bank should, other things being equal, warrant a higher price than at present, while successful operations in the future would undoubtedly be followed by an increase in the dividend return, which is still below the average of the leading Canadian banks. As compared with the 10 per cent. now being paid the bank earned approximately 16½ per cent. during 1918, which compared very favorably with earnings of 13 per cent. in 1915 and 1916. The best before-the-war record was 15 per cent. in 1913.

ALLEN THEATRES

H. E. H., Ontario.—Can you give me any information as to the methods of operation of the Allen Theatre Company? Their Edmonton theatre is paying 1 per cent. per month on common I understand, and is supposed to pay 7 per cent. on the preferred stock half-yearly, absorbing the issue at $10, twenty years hence. Stock is now being offered in a new theatre on St. Clair Avenue, Toronto.

The Allen Theatre propositions, like those of the other syndicates which have gone into the business of providing popular entertainment at moderate charges, have been successful from the investor's standpoint. The increasing popularity of moving pictures and the advantages of syndicating in the chartering of films, together with the general prosperity of the Canadian people, have been factors which have been largely responsible. Looking to the future there would appear to be opportunities to duplicate past successes. These syndicates seem to have the best opportunity of taking advantage of the popularity of moving pictures, but there is, of course, to be considered the question as to whether the idea may not be overdone in the establishment of more theatres of this kind than future conditions may warrant. This point we would make, however, in the spirit of caution rather than pessimism. Otherwise the principal point to take into consideration is the terms upon which the individual issue may be made. We would not like to venture a prediction as to the status twenty years hence of the moving picture houses being built at the present time.

CANADA CEMENT

Breakeyville—"I notice in your issue of the 31st of May, in answer to an inquiry of G. H. S., Ontario, yau state: 'This business (the munition business) brought in several milion dollars of profits." If I remember rightly, at the time Mr. Jones came back from England he stated, according to the newspapers, that the company had about broken even on the munition business. Who is correct?"

There is no contradiction in reality between the statement published in the FINANCIAL POST and that of Mr. Jones. In the first place, Mr. Jones was referring only to the year that was just closing, the report for which had not yet been issued. Mr. Jones, at the time, was able to give only a rough estimate of the company's profits, and it is not known just yet what they will prove to be out of munition business carried on during the year 1918. His statement must be regarded as a very modest one, coming, as it did, after a rise in the stock, which was attributed at the time to an intention of the company to pay a bonus out of profits on munitions. As a matter of fact, the Cement Company has not yet made a settlement with the United States Government for all the work it turned out in 1918, and the exact amount of the profits may not be known even this year. Under the agreement with the United States Government the company was to be reimbursed, in case there was a cancellation of the contract for munitions, for raw material, for construction in the form of extra plants, etc., which was done for the purpose of fulfilling the contract, for shells that were only partially completed, and for other expenses that had been incurred. The Cement Company has forwarded a claim to the United States Government but this has not yet been settled. Moreover, it is generally understood that after the United States Government adjusts the main claim that the various companies may be asked to take back buildings or plants and make a certain allowance for these on the original claim. It will not be known then until the company can set a valuation on the plant that it will retain, and in some cases sell, just what the final results will be of the contracts carried out during the year 1918. That is why we say that Mr. Jones' statement in reference to an absence of profit on the 1918 business was a modest one, and the estimate made in the annual report for 1918 as to what the company would receive from the United States Government was a very conservative one, we are informed on quite reliable authority. We believe from all the information that we can secure that when the final settlement is made the Cement Company will far more than "break even" on its munition business for 1918.

In regard to the work done in 1916 and 1917 there were large profits made. This is admitted by the company and is given as one reason why it greatly strengthened its financial position and increased its working capital during the period of the war when its regular business was greatly cut down owing to the lack of building all over Canada. In spite of comparatively small sales of its regular product, cement, the company was able, between the end of 1916 and the end of 1918, to increase its contingent reserve from $400,000 to $875,000, and its surplus in the two years, after liberally providing for reserve, increased from $2,092,000 to $2,600,077. Moreover, in the year 1917, $2,100,000 was written off for depreciation in the plants, that is chiefly in the munition plants, and in the year 1918 over $1,000,000 was written off, which again must be considered as quite a liberal allowance.

The best information that we have is that the munitions business of the Canada Cement Company in the years 1916-17-18 will net it well up to $2,000,000 and probably more.

CURRENT OPINION

Under this heading are published, for the information of our readers, the views of leading newspapers and individuals.

Their reproduction does not imply their endorsement. On the contrary, the investigations of THE POST'S editors often lead to entirely different conclusions from those quoted below.

WATCH YOUR INVESTMENTS

Wall Street Journal

Nearly every time that corporations offer rights of subscription to new stock, there is a small amount not taken up, no matter how valuable the privilege of subscription may be. On a recent offering by a well-known sugar company, a considerable amount of stock was not subscribed in spite of the fact that the market value was about $170 a share, which was offered at par. It is possible that in some instances the failure to subscribe may be explained by absence on the part of the stockholder. This would suggest that it is highly desirable for owners of stock to make arrangements with a bank or trust company to subscribe in their behalf for new shares that may be offered or sell the rights, in case a long absence is contemplated that will take them out of touch with their investments. If a man cannot watch his own investments, he should employ a bank or trust company to do it for him.

EDUCATING THE WORKERS

Boston *Commercial*

It is trite to say that what is most needed now is a better understanding between labor and capital. A campaign of education will be required to bring about this better understanding, and unquestionably the best men to do the teaching are the employers themselves.

The boss has no desire to deceive his employees. In a time like this when there is so much at stake, why shouldn't it be good policy for the employer to fill his mind with the vital facts, ask permission to address a meeting of the union in its own hall and there tell his employees the whole truth? He can do this now unselfishly, because every man of clear understanding knows that labor union activities, if they continue their present trend, will do great and permanent injury to the working people.

Reductions in the working hours, loafing on the job and strikes increase the cost of living so rapidly that wages never could catch up with it even though they were advanced every hour in the day. Labor must get its pay out of the produce of industry. With wages a dollar a minute no more could be purchased than is produced. Low wages will buy more when the volume of production is large than high wages will when it is small. A demand for a country wide eight-hour law is a declaration in favor of very much higher food prices, as the eight-hour day would make it necessary for the American farmer to get almost double the price he does now for his crops or go out of business.

OUR WASHINGTON BOLSHEVISTS

Sufficient time for consideration does not make the attitude of the Director-General of Railroads, Walker D. Hines, look like anything else than plain Bolshevism. His claim is, in fact, that because the steel companies have made money during the period of the war, therefore, they shall now sell rails at a loss. This is plain confiscation without process of law, and as such cannot possibly be in the public interest.

Government administration of the railroads has been justly criticized and is now almost universally condemned. The attempt to reduce the cost of operation in the business of transportation at the expense of the next most important industry of the country — excluding, of course, the farmer—is not only unbusinesslike, but is actually dishonest. It is in fact astonishing how politicians and public officials of the highest personal probity can commit themselves to positions which endanger those rights of property upon which all civilized society rests.

Mr. Tines' attitude may be described as consistently inconsistent. Some of his statements may be taken to imply that he is opposed to price fixing on principle. He gave as one of his objections to the plan of George N. Peek, chairman of Mr. Redfield's Industrial Board, now dissolved, that the Attorney-General held it to be a violation of the Sherman anti-trust law. This was because Mr. Peek, with a better understanding of the cost of producing steel rails than Mr. Hines appears to have, held that the price of $47 per ton was fair to the producers.

But after his last conference with the steel men, ostensibly called for the purpose of reaching an agreement, Mr. Hines gave out a statement asserting his former attitude without modification, and it is even suggested that his statement was prepared before the conference. The Railroad Administration has not advanced a single argument contesting the cost figures submitted by the steel companies.

He did not even know that even at the price quoted only a most restricted number of steel companies could produce rails, and, of course, he ignored the increased cost, largely due to wage advances voluntarily made, even since 1918. There are all too many bureau heads who seem to share that belief which has proved so fatal in Russia: that the accruing capital secured by thrift, industry and sound management is a fund to be drawn on at will for supposed public needs and squandered in equal ignorance of public wants.

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$100,000	Canada Victory 5½'s Nov. 1, 1933 - -	Mkt.	4.80
$50,000	Newfoundland 5½'s July 1, 1939 - -	102.44	5.30
$50,000	British Columbia 5½'s March 5, 1939 -	102.44	5.30
$15,000	Newfoundland 6½'s June 30, 1928 - -	108.13	5.35

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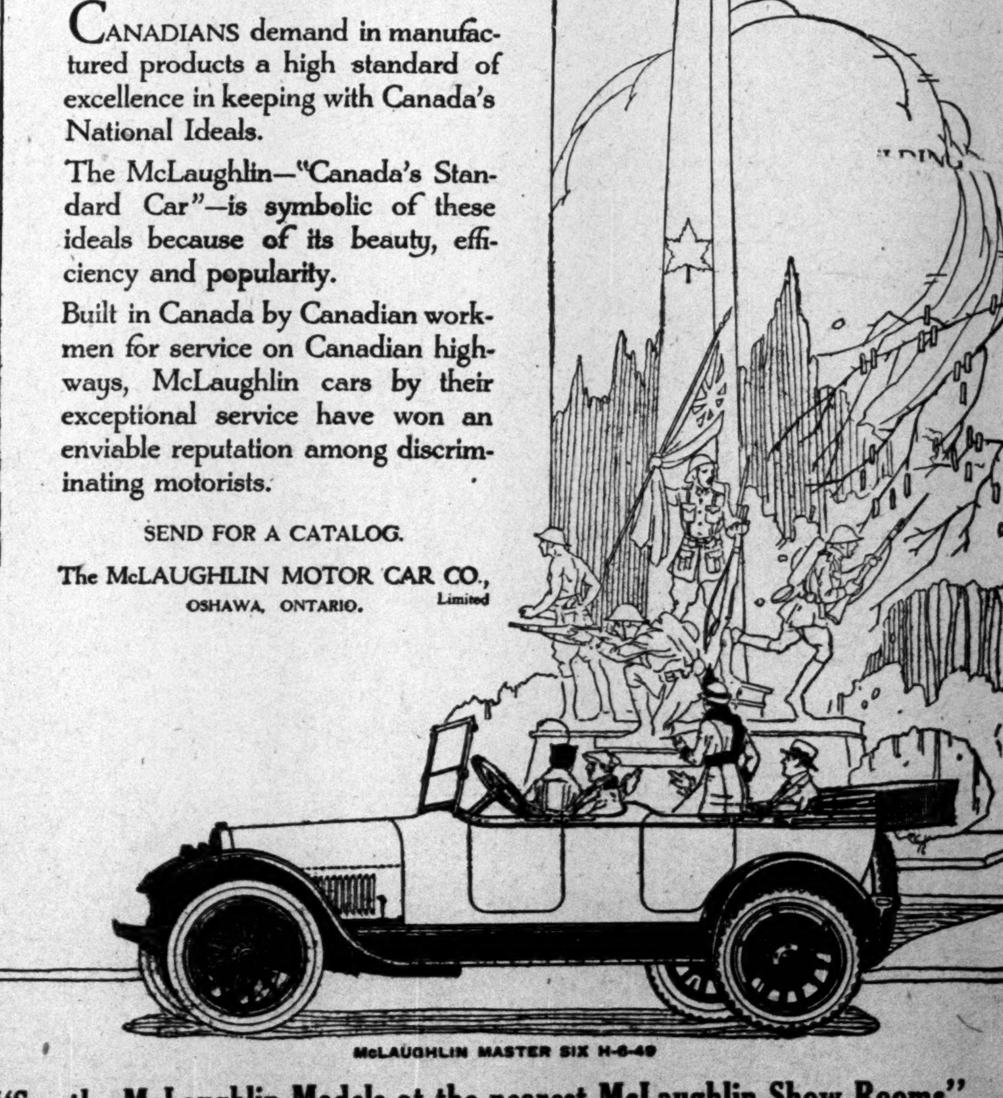

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NEWS OF THE BOND MARKET

BOND MARKET DEVELOPS MORE LIFE AND ACTION

Victory Bonds Have Been Changing Hands in Large Volume

AT RISING PRICES

It is a Question Now Whether Municipal Bonds Will Follow Suit and Move Up in Price

With the big activity in Victory bonds during the past two weeks, consequent upon Sir Thomas White's announcement of increased taxation of incomes, the general bond market has become somewhat more active, and dealers are reporting very fair business. The higher prices registered by all the Victory Loan maturities increases the attractiveness of other issues and makes it somewhat easier to sell bonds at figures that looked rather stiff only a short time back. It is problematical whether municipal bonds will now move up after the Victories, or will hold where they are. Results of the next few sales should disclose the trend of the market. In the meantime, it has been pretty generally felt that the spread between the Dominion bonds and high grade municipals was not as great as it should have been in view of the taxation features.

The Calgary Sale

Tendering on the Calgary issue on Monday was rather disappointing and some question is being raised as to why more of the Toronto bond houses did not send offers for the bonds. As it is, the issue went to an American house. The amount in question was $1,500,000 in 6 per cent., 5-year bonds, and the award was made to Spitzer, Rorick & Co., of Toledo, Ohio, at 100.80, or a basis of about 5.81 per cent. Following is a list of the bids received:

Spitzer, Rorick & Co.	100.800
Brandon, Gordon & Waddell	100.655
Aemilius Jarvis & Co.	100.600
Brent, Noxon & Co.; W. A. Mackenzie & Co.	99.167
Otis & Co.	98.550
Hanson Bros.	97.610

County of Halifax

On Monday the County of Halifax awarded its issue of $28,500, 5½ per cent., ten-year bonds, dated June 1, 1919, and due June 1, 1929, to J. C. Mackintosh & Co. at 101.17. The bids received were as follows:

J. C. Mackintosh & Co.	101.170
Standard Bond Corp.	100.850
F. B. McCurdy & Co.	100.770
Royal Sec. Corporation	100.680
Brent, Noxon & Co.	100.593
W. F. Mahon & Co.	100.316
Eastern Securities Co.	99.537

A syndicate composed of the Eastern Securities Co.. W. F. Mahon and Co. and J. C. Mackintosh and Co .recently purchased a block of $108,000 Town of Stellarton 6 per cent. 20 and 25-year debentures.

Other Recent Sales

The Township of South Norwich has sold to G. A. Stinson & Co. na issue of $8,000, 6 per cent., 20-instalment bonds.

The Town of Alexandria has awarded to Ralph M. Bird & Co. an issue of $9,750, 6 per cent., 20-instalment bonds at 103.59. The town invited tenders also for an issue of $20,000 bonds, but decided not to sell them.

The Town of Vermilion, Alta., has placed with C. H. Burgess & Co. an issue of $6,000, 7 per cent., 20-instalment bonds.

H. J. Birkett & Co. have secured an issue of $8,000, 6 per cent. debentures of St. James S.D., Man., maturing 1933-35.

An issue of $11,274.40, 6½ per cent., 5-instalment debentures of the Township of Tilbury East was awarded on Monday to R. C. Matthews & Co. at 102.40.

The Vancouver Province reports the sale to the National Bond Corporation, Limited, of an issue of $30,000 debentures of Port Coquitlam, B.C., secured by tax arrears.

Shawinigan Falls

The Town of Shawinigan Falls, Que. awarded an issue of 6 per cent. debentures amounting to $132,000 to the Municipal Debenture Corporation at an average price of $104.85. There were three maturities: $20,000 of 9 years, maturing in 1928; $37,000 of 29 years, maturing in 1948; and $75,000 of 39 years, maturing in 1958. The bids for these issues were respectively 101.58, 105.05, and 105.55.

The call for tenders provided for an alternative of a short term, 4-year issue, of the full amount. The highest tender for this was from A. E. Ames & Company at 99.69, but the council decided finally in favor of the long-term issues.

Below are given, first, the various bids for the long term issues, and second the bids for the 4-year issue, with an average as worked out covering the bids for the three long-term issues:

(For Long-Term Issues)

	1928	1948	1958
Munic. Deb. Corp.	101.58	105.05	105.55
Greenshields & Co., associated with Foster, Barrett, Riepert & Low, Ltd.	101.035	103.275	103.525
Wood, Gundy	103.05 for all three		
Dom. Sec. Corp.	100.759	102.31	102.73
Ames & Co.	100.59	102.15	102.64
United Fin. Corp. and Hanson Bros.	101.63 for all three		
Credit Canadien	100.39	100.65	101.02
Beausoleil, Ltd.	99.41	98.70	98.55

(For 4-year and Average)

	Average 9, 29, 39	4-year
Municipal Deb. Corp.	104.85	....
Greenshields & Co., associated with Foster, Barrett, Riepert & Low	103.07	....
Wood, Gundy & Co.	103.05	98.50
Dominion Secur. Corp.	102.32	99.59
A. E. Ames & Co.	102	99.69
United Financial Corp. with Hanson Bros.	101.63	99.03
Credit Canadien, Ltd.	100.82	99
Beausoleil, Ltd.	98.72	99.51

NOVA SCOTIA CO. MAKES OFFERING

Bonds of Clarke Bros., Limited, Placed on Market by a Toronto Syndicate

An interesting bond offering has been placed on the market this week by a syndicate of Toronto financial houses, including Graham, Sanson & Co., John Stark & Co., and T. S. G. Pepler & Co. It is an issue of $875,000 7 per cent. first mortgage bonds of Clarke Bros., Limited, Bear River, N.S., and is for the purpose of enabling the company to erect a sulphate pulp mill of 30 tons per day capacity and an additional sawmill of 30,000 ft. per day capacity; to enlarge the capacity of hardwood mills already in operation and to instal larger ship repair blocks and dry docks.

The firm of Clarke Bros. has been in existence for over forty years, being engaged in the manufacture of spruce and pine lumber, sashes, doors, wood finish and hardwood products of various kinds. The president and managing director of the company, A. G. MacIntyre, has had a most successful career in the pulp and paper field, having been associated as designing engineer, builder or manager with the following Canadian plants: Price Bros.' mills at Kenogami; the Bathurst Lumber Co.'s pulp mill at Bathurst; the Mattagani Pulp & Paper Co.'s mill at Smooth Rock Falls; the Port Arthur Pulp & Paper Co.'s mill at Port Arthur. Mr. MacIntyre was organizer and first secretary-treasurer of the Canadian Pulp & Paper Association and organized the Forest Products Laboratories, operated in connection with the McGill University for the Canadian Government. He has lately been president of the Publishers' Paper Co., a war-time organization in the United States. Associated with him in the Clarke Bros. enterprise are several expert paper men.

$125,000 of the issue maturing in 1933, being held in the treasury; $350,000 of other maturities has been disposed of by the company. The balance is offered for sale, with a bonus of 20 per cent. of the common stock, at par, giving a yield of 7 per cent. The maturities range from 1921 to 1930.

JOINS R. A. DALY & CO.

A. W. McLennan Leaves Management of Canada Bond Corporation

A. W. McLennan, who has been manager of the Canada Bond Corporation for some time, has resigned from that company to enter the firm of R. A. Daly & Company. Mr. McLennan has been engaged in the bond business in Canada for the last ten years, and during that time has traveled extensively in Canada and the United States in the interest of the firms with which he has been associated. During the war he took an active part in the various organizations which were responsible for the successful flotation of the Canadian Government loans.

The firm of R. A. Daly & Company was formed in August, 1916, by R. A. Daly, who, prior to that time, was in charge of the investment department of the Bank of Nova Scotia. During the time when the prices of the Victory Loans had to be maintained for the protection of the Canadian public, as well as of the Canadian Government, Mr. Daly gave up the active prosecution of his own business to act as general secretary of the Victory Loan Market Committee, which committee accomplished its purpose in such a unique and efficient way.

SAGUENAY PULP HAS BOND ISSUE OF $5,500,000

New Holding Company Offers Securities, Face Value $17,000,000

PERMANENT PLAN

Of Financing to Replace Rather Haphazard One of Past—Completing Pulp and Power Plants

By Resident Representative.

MONTREAL.—Announcement was made this week of particulars of the issue of $5,500,000 6½ per cent. serial secured gold bonds of the Saguenay Pulp & Paper Company. This has been underwritten by a syndicate of Montreal bond houses, with which are associated the Molsons Bank and the Bank of Hochelaga. The issue will be made in denominations of $100, $500 and $1,000 bonds at par and accrued interest giving a yield of 6½ per cent. It is announced that those subscribed before June 15th will be entitled to accrued interest from June 1st to June 15th. The Saguenay Pulp & Power Company is a new company that has been created as a holding concern, controlling by stock ownership the Chicoutimi Pulp Company, the Saguenay Light & Power Company, the Roberval - Saguenay Railway Company, the Chicoutimi Port Company, and the St. Lawrence Pulp and Lumber Corporation. It is understood that arrangements are being made by which the North American Pulp & Paper Companies' Trust, which controlled most of these companies before, may lose its indenity in the new Saguenay Pulp & Power Company. The North American Pulp Company controls this through stock holding.

Securities Offered

The security behind this bond issue includes $2,670,000 6 per cent. first mortgage gold bonds of the Chicoutimi Pulp Company; $1,500,000 7 per cent. first mortage gold bonds of the Saguenay Light & Power Company; $1,330,000 7 per cent. first mortgage gold bonds of the Roberval-Saguenay Railway Company; $1,125,000 first mortgage on 80,619 acres of freehold timber lands sold to the Chicoutimi Pulp Company; and $500,000 which will be deposited in cash with the trustee, in five annual consecutive instalments of $100,000 each, by the Saguenay Pulp & Power Company, to provide a reserve fund for the benefit of these bonds. The total of this is $7,125,000. In addition there is an amount of $3,000,000 6 per cent. cumulative preferred shares of the Chicoutimi Pulp Company; $4,000,000 common or ordinary shares of the Chicoutimi Pulp Company; $1,500,000 common or ordinary shares of the Saguenay Light & Power Company; $800,000 6 per cent non-cumulative preferred shares of the Roberval-Saguenay Railway Company; $1,200-000 common or ordinary shares of the Roberval-Saguenay Railway Company and also $121,000 common shares of the Chicoutimi Port Company, a total of $10,621,000 in the latter list, or $17,746,000 as a grand total of securities pledged.

The prospectus gives in detail a description of the various companies

The arrangement for the redemption of the serial bonds commences with an amount of $100,000 in 1921, increasing to $339,000 in 1933, and the balance of $2,636,940 in the final year, 1934. The syndicate underwriting this bond issue consists of the following: Versailles, Vidricaire & Boulais; Rene T. Leclerc; Credit Canadien, Inc.; Provincial Securities Ltd.; L. G. Beaubien & Co.; Beausoleil Ltd.; McCuaig Bros. & Co.

The following is the board of directors that has been chosen for the Saguenay Pulp & Power Company, of which the FINANCIAL POST understands the first named will be president:

Hon. F. L. Beique, Senator, vice-president of the Hochelaga Bank and director of the Canadian Pacific Railway; Edward C. Pratt, general manager of the Molsons Bank; Louis Chable, vice-president of American Paper Exports, Inc., New York; Hon. J. M. Wilson, Senator, director of the Hochelaga Bank, director of Montreal Tramways; J. E. A. Dubuc, Chicoutimi; Jos. Quintal, president of the Chambre de Commerce of Montreal; Hon. Nemese Garneau, M.L.C., Quebec, director of Provincial Bank of Canada; R. F. Hammond, vice-president Craig-Becker Company, Inc., New York; John T. Steele, Buffalo.

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Dominion of Canada
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5½% Bonds

Particulars on Application

CANADA BOND CORPORATION
LIMITED
TORONTO

High Yield in Municipal Bonds

	To Yield
City of Calgary 5% due 1943	5.70
City of Lethbridge 5% due 1943	5.90
Municipality of Summerland, B.C., 6% due 1940.	6%

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EDMONTON - ALBERTA

FIELD OF MUNICIPAL FINANCE

EDMONTON HAS $4,593,098 IN ITS SINKING FUNDS

Excess Earnings Last Year Amounted to $15,104

UTILITIES IMPROVE

Showing of All Utilities for April and First Four Months of the Year Was Much Better

EDMONTON.— The financial report of the Sinking Fund Board of the city for last year shows that the interest earnings on mortgages, bonds, debentures and guaranteed stock, etc., amounted to $213,888.21, as compared with $191,281.44 for the previous year. The sinking fund requirements for the year were $198,783.62, showing excess interest earnings of $15,104.59, as compared with $26,319.13 for the previous year. The total funds of the Board as at 31st December last, amount to $4,593,098.17, which includes surplus earnings of $177,996.75, which, however, are subject to the results of realization of mortgage loans. The total funds for the year previous amounted to $3,809,072.02, showing an increase of $784,026.15 in the funds over 1917.

It may be mentioned that the investments of the Board include the following:

Dominion of Canada War Loan Bonds	$ 479,755.48
Bonds of and Securities guaranteed by the Provinces of Canada	512,199.23
Debentures of Municipalities and School Districts in Canada	514,697.59
City of Edmonton Debentures	399,160.87
City of Edmonton Short Term Debentures, issued against Tax Arrears	1,087,077.28
	$2,992,890.45
First Mortgages over Real Estate.	1,203,854.02
	$4,196,744.47

Interest due and accrued, accounts receivable, etc., make up the balance of the funds.

Civic Utilities

For the month of April, Edmonton utilities showed a net surplus of $9,264, comparing with a net deficit of the corresponding month of last year of $1,033.

The net surplus for the four months (inclusive of the street railway deficit) amounts to $59,887.77, as compared with $36,511.60 for the corresponding period of 1918.

The net surpluses for the four months are as follows:

	1919	1918
Electric Light	$59,423.61	$51,515.76
Telephone	16,821.49	9,462.33
Waterworks	12,076.40	8,626.31
Total	$88,321.50	$69,604.40

The street railway deficit is $28,433.73, against $33,092.80 last year, leaving the net result, as already stated, of a net surplus of $59,887.77, against $36,511.60 in 1918, on the combined utilities.

BORROWING APPROVED

Moose Jaw Receives Authority to Make Certain Loans

Notice has been received by the city council of Moose Jaw that the following proposed borrowings by the city have been approved by the Local Government Board: $22,000 for the construction of cement sidewalks, to be raised by 15-year debentures at 5½ per cent.; $13,000 for comfort station, by 30-year debentures at 5½ per cent.; $16,000 for reconstruction of Fourth avenue bridge, by 10-year debentures at 5½ per cent.; $33.000 for construction of sewer and water extensions, by 30-year debentures at 5½ per cent.

ALBERTA SCHOOLS

Result of Sale of Ten Blocks of Bonds by Education Dept.

J. T. Ross, Deputy Minister of Education, Edmonton, announces the result of the sale of Alberta school district debentures on June 5, as follows:

Block No. 1. Sawyer, $1,500; Good Luck, $2,000; Baptiste Lake, $1,500, all 7 per cent., 15 years, to Brent, Noxon & Co., at 103.60.

Block No. 2. Peel Coulee, $2,000, 7 per cent. ,10 years, to Canada Landed & National Investment Co., at 103.275.

Block No. 3. Berry Creek, $2,500; Gold Creek, $2,000, 7 per cent, 10 years, to Brent, Noxon & Co., at 102.80.

Block No. 4. Youngville, $800; Tulliby Lake, $1,500, 7 per cent., 10 years, to Brent, Noxon & Co., at 102.60.

Block No. 5. North Beaverlodge, $700 and Wenger's Heights, $400, 7 per cent., 10 years, to Manufacturers' Life, at 101.271 and 102.271, respectively.

Block No. 6. Deer Lodge, $700; Wolia, $700, 7 per cent., 7 years, to W. L. McKinnon & Co., at 102.26.

Block No. 7. Lone Star, $600; Greenridge, $600, 7 per cent., 6 years, to W. L. McKinnon & Co., at 102.

Block No. 8. Donalda Con., $1,500, 7 per cent., 5 years, to Canada Landed & National Investment Co., at 102.

Block No. 9. Bindloss, $1,000, 7 per cent., 10 years, to W. L. McKinnon & Co., at 103.03.

Block No. 10. Castor, $1,000, 7 per cent., 10 years, to Huron & Erie Mortgage Corp., at 103.02.

THEATRE OFFERING

Loew's Theatre Bonds Now Being Placed on the Market

The issue of $500,000, 6 per cent., 15-year serial bonds being made by Loew's Toronto Theatres, Limited, to finance the erection of a new theatre, has been underwritten by Brent, Noxon & Co., W. A. MacKenzie & Co., and Bongard, Ryerson & Co., and is now being offered to investors at a price to yield 6¼ per cent. It is reported that the sale is progressing satisfactorily, though prospectuses were only issued yesterday.

MILLIONS IN PULP

Montreal Financial House Floats $8,000,000 Bonds This Year

It is announced that the $2,000,000 issue of Mattagami Pulp and Paper Company 7 per cent. convertible mortgage debenture stock, offered by the Royal Securities Corporation, has been oversubscribed, and the subscription lists were closed several days before June 15, the date originally set. This issue brings the total pulp and paper securities offered and disposed of by this house to $8,000,000, the others being $4,000,000, 6 per cent. general mortgage bonds of the Riordon Pulp and Paper Company in February, and $2,000,000, 6 per cent. first mortgage bonds of Fraser Companies, Ltd.

SHOULD BE TAXABLE

Dr. Beland Warns the Government Against Further Exemption

Dr. Beland raised an interesting question in the House during his speech on the tariff when he warned the Government not to exempt the forthcoming loan from income tax. It is understood that the Government has practically decided already that there will be a change in its policy on the next loan. There has been so much criticism on the exemption of previous loans that future bonds will probably be subject to taxation, particularly in view of the fact that there is now good reason for anticipating the success of a taxable issue.

HALIFAX HAS TAXATION TROUBLES

Amount Levied Has Practically Doubled in Six Years—Military Properties Exempt

By Special Representative

HALIFAX.—Under the new system of civic taxation in Halifax the rate is made partly by an assessment on land, irrespective of improvements. The idea of this is to prevent the holding of land for speculative purposes. The result was that a rate of 5.42 per cent. on such land, for the purpose of city taxation, was struck. It caused considerable of an outcry and probably meant the election of some of the aldermen who denounced it. One of these was J. W. Regan, who also pointed out that the amount taken in taxes from the people of Halifax this year is $1,250,000, compared with $624,000 six years ago.

The Maritime Telegraph and Telephone Company is asking for a higher schedule of rates, for one thing, because of increased taxes, which, they state, are $36,000 greater than before. The new aldermen of Halifax, some of them got votes because they proposed to make a still further call for taxes from this corporation. The amount mentioned is what they pay in provincial, federal and city taxes. What is now proposed is a bigger slice for the City of Halifax. A similar intimation is given to the Nova Scotia Tramways Company.

So much property is held by the naval and military authorities, all exempt from taxation, that it makes the burden on the general public heavier than it otherwise would be. The Federal Government and the Provincial also are exempt, so that altogether a very large proportion of the real estate in Halifax contributes nothing to the public treasury and partly accounts for the high rate. There is no doubt that the whole question of new revenue for city government will soon be reviewed, and an early readjustment of the financial relations between the city and the Federal and Provincial Governments will be sought, so that Government property will contribute to the load of taxation under which business in Halifax is handicapped.

Money By-laws

Those investors who wish to keep in touch with the municipal bond market will find this department useful. It aims to be accurate and convenient. THE FINANCIAL POST makes a specialty of municipal bond news. Municipalities will find it to their advantage to send in direct news of contemplated bond issues.

TENDERS WANTED

June 17, Truro, N. S.—$25,150 5 per cent., 30-year bonds of the town of Truro, N. S.

June 20, City and County of St. John, N. B.—$100,000, 5 per cent., 20-year hospital debentures of the municipality of the City and County of St. John.—James King Kelley, County Secretary, St. John, N. B.

June 21, Grimsby North Township.—$5,000, 6 per cent., 10-installment debentures of the township of Grimsby North.

June 25, Embro—$7,500 6 per cent., 20-year bonds of the village of Embro.

July 3, Montreal.—$624.000, 4½ per cent., debentures of the city of Montreal, due 1954. (See announcement, page 6.)

East Sandwich.—$23,592.71 in nine by-laws, viz., No. 727, $1,554.35; No. 778, $1,207.05; No. 779, $2,288.50; No. 780, $4,253.75; No. 781, $4,193.54; No. 783, $1,202.21, all 10 year, 6½ per cent.; No. 782, $4,876.66, 10 year, 6 per cent.; No. 784, $3,600.16, 5 year, 6 per cent.; No. 785, $476.49, 5 year, 6½ per cent. (no date set).

BY-LAWS PASSED OR DEFEATED

York Township.—$18,000 for enlargement of school in Section No. 27, passed by council June 5, registered June 6.

Ingersoll.—$10,000 loan to Royal Brown Co., carried by 466 to 85; $10,000 for new market building, carried 441 to 53, on June 6.

Peterboro.—$11,000 for the purchase of a school site, passed by council, June 2.

Galt.—$15,000 for the construction of a grand stand in Dickson Park, carried June 7 by 260 to 70.

Hensall.—$4,100 to pay balance of town hall debt, passed by ratepayers on June 2 by 10 to 1 majority.

BY-LAWS TO BE VOTED ON

June 16, Newmarket.—$40,000 for the construction of a main sewer and disposal plant.

June 19, Caledonia.—$20,000 in 6 per cent., 20-installment debentures for road-building purposes.

June 19, Wyoming.—$3,000 for enlarging and improving the town hall.

DEBENTURE NOTES

Chatham.—Council on June 3 passed a resolution granting the request of the Board of Education for $130,000, to be raised by the sale of debentures, to meet the costs of improvements at the North Chatham school.

Ponoka, Alta.—Burgesses voted last week on a by-law to authorize the issue of $6,000 in 7 per cent., 20-installment debentures for the improvement of the drainage of the town.

Nanton, Alta.—A by-law to raise $6,000 for machinery and improvements at the electric light plant, by the issue of debentures bearing 6½ per cent. interest and repayable in ten equal annual installments, was given the first reading and will be sent to the utilities commission for approval. If approved by the commission, the by-law will be read a second time, and then submitted to the ratepayers.

Penticton, B. C.—Ratepayers will shortly be asked to vote on a money by-law providing for the expenditure of $75,000 on a new Diesel engine to supplement the present power plant.

Gravenhurst.—A record vote was polled on June 2 when the by-law to fix the Grand Trunk assessment at $14,000 for ten years, and to issue debentures to pay for land for a new station and freight shed was voted upon. Only 18 objectors registered against the by-law, while 206 voted in favor.

Mimico.—At the council meeting on June 9 it was decided to spend approximately $45,000 on sewer and water mains for the town. Some twelve streets will benefit and it will mean that practically all the principal streets will be equipped with local improvements.

BOND SALES

$5,000 Abitibi, debs., at 99½; $1,000 Can. Bread at 94¼; $7,600 Can. Car at 98, $11,000 Cedar Rapids at 88¾; $2,000 Dom. Cotton at 100; $5,000 Dom. Textile "C" at 100; $17,000 Dom. Textile at 89½ to 89; $9,200 Montreal Trams, debs., at 74 to 73½; $5,000 Montreal (1923) at 102¾; $3,000 Montreal Power at 91, $4,000 Nat. Breweries at 100; $3,000 Quebec Rly. at 68 to 67; $4,100 Penmans at 93¼ to 92¾; $1,000 Ogilvie "B" at 103; $500 Riordon at 97; $9,000 Sher.-Williams at 99 to 98; $1,000 Steel of Canada at 99½; $600 Wayagamack at 88; $589,850 Victory Loan at 102½ to 100¾; $803,900 (1923), at 102⅛ to 100⅞; $183,800 (1927) at 105 to 102½; $2,267,150 (1933) at 106¾ to 104¾; $496,100 (1937) at 107¾ to 106¼; $126,000 War Loan (1925) at 101 to 99½; $26,500 War Loan (1931) at 101¼ to 98½; $260,200 (1937) at 102¼ to 100.

Weekly Record of Government and Municipal Bond Sales

Date—	Place—	Purchaser—	Rate Pct.	Term	Amount	Price	Basis Pct.
June 5	Alberta Schools	Various (see page 12)	7	var.	$ 21,000	.....	...
June 7	Shawinigan Falls	Municipal Debenture Corp.	...	....	132,000	104.85	...
June 9	Tilbury East Township	R. C. Matthews & Co	6½	5-ins.	11,274	102.40	...
June 9	Halifax County	J. C. Mackintosh & Co	5½	10-yr.	28,500	101.17	...
June 10	South Norwich Township	G. A. Stimson & Co	6	20-ins.	8,000	.....	...
June 10	Alexandria	R. M. Bird & Co	6	20-ins.	9,750	103.59	...
June 10	Vermilion, Alta.	C. H. Burgess & Co	7	20-ins.	6,000	.....	...
June 10	St. James, S. D., Man.	H. J. Birkett & Co.	6	1933-5	8,000	.....	...
June 1[illegible]	Calgary, Alta.	Spitzer, Rorick & Co	6	5-yr.	1,500,000	100.80	5.81

CANADIAN Government and Municipal BONDS

We shall be pleased to furnish our list of investment suggestions on request.

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No matter how well-meaning a man may be—this organization of experienced, trained officers is better.

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With assets of over $97,000,000 and surplus of over $8,000,000 it has decided strength and safety.

Its policy, conditions and dividend record have earned for it an enviable reputation for liberality, while its record for fair dealing is unexcelled.

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BRITISH COLONIAL
FIRE INSURANCE COMPANY
MONTREAL
Authorized Capital - - $2,000,000.00
Subscribed Capital - - 1,000,000.00
Paid-up Capital - - 247,015.79
General Fire Insurance Business Transacted
Theodore Meunier, Manager

The Independent Order of Foresters

Furnishes a Complete System of Insurance

Policies issued by the Society are for the protection of your Family and cannot be bought, sold or pledged.

Benefits are payable to the Beneficiary in case of death, or to the member in case of his total disability, or to the member on attaining seventy years of age.

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HEAD OFFICE - - - TORONTO

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INVEST YOUR SAVINGS
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SECURITY
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Assets 7,086,695.54
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CANADA NATIONAL FIRE
INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, MAN.
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Any subscriber to THE POST may write the Investors' Information Bureau for special information on any Canadian security, or other financial matter in which he may be interested. Inquiries are treated confidentially, and answered by mail. This service is free to subscribers, but inquirers should enclose stamp for reply.

INVESTORS' INSURANCE NOTES

APPROVE JUDGE MASTEN'S REPORT ON INSURANCE

Insurance Committee of C.M.A. Voices Its Satisfaction

ONLY ONE EXCEPTION

Committee's Report Deals With Fire Prevention, Sprinkler Systems and Various Other Insurance Topics

With the exception of one suggestion made by the Hon. Justice Masten in his capacity of commissioner on fire insurance in Ontario, the findings set forth in his report met with the hearty approval of the Insurance Committee of the Canadian Manufacturers' Association, as voiced at the annual meeting of that body held in Toronto this week. In concluding their reference to the report, the committee said: "Your committee take pleasure in expresing their complete confidence in the Hon. Justice Masten, believing that he has taken an unbiased view of the subject and that the majority of his conclusions cannot be assailed.

Association Justified

Expressing gratification that the findings of the report constitute an entire justification of the representations made by the Association before the commission, the committee continue:

"When the Canadian insurance companies made an attempt to restrict competition by imposing an additional tax o nfire insurance obtained abroad, this association opposed the suggestion and arranged that evidence should be given by its members before the commission.

"The commissioner finds that the Canadian Fire Underwriters' Association exercises practical control of fire insurance in Ontario, and that licensed independent companies are not sufficiently numerous to afford any adequate effect on rates. He states that the only real competition comes from insurance concerns not licensed in the province, such as London Lloyd's and the New England Mutuals. The Commission believes that nothing should be done to limit such competition, and suggests that inter-insurance exchanges in sufficiently good standing might be allowed to transact business in Ontario without making the deposit called for i nthe Ontario Insurance Act.

Some Control Advised

"The commissioner advises that the Provincial Government should be given power through legislation to exercise some control over the Canadian Fire Underwriters' Association and all similar rate-making organizations, and that the superintendent of insurance should be empowered to act as arbitrator between such organizations and the assured.

"Actual rate-making by the Government is deprecated, as the insurance companies could refuse to transact business according to what they might consider inadequate rates. The commissioner believes that state insurance is not feasible. He appears to think more highly of arbitration and conciliation than of undue Government control and interference. He also believes that in many cases the commissions paid to agents are too high. He points out examples where forty per cent. of a premium is alleged to have been paid as a commission, and favors a method of remunerating agents which will be based on the actual profit made by the agency or company. Before legislation covering the last point is enacted, he suggests that the companies consider the problem and agree upon some alternative, otherwise the Legislature should limit the amount of fees and commissions which may be paid or received on any application for insurance on property in Ontario.

Too Many Side Lines

"The commissioner, apparently thinking that too many people write insurance as a side line to their chief occupation, suggests that licenses should only be given to persons or firms dependent upon the business of insurance for a living.

"The commissioner advocates greater attention to the problem of reducing fire waste, as no substantial reduction of rates can be made without a corresponding reduction in fire losses. All who cause fires through carelessness or omission of duty should be made amenable to the criminal law. He advises the Government to employ experts, whose duty would be not only to inspect risks, but to educate property owners in fire prevention matters. He would compel insurance companies to keep their records so as to classify the business done, and to show the profits made in the various classes or risks.

"The commissioner recommends that the insurance department make a real examination of every applicant for a license as agent, broker or adjuster, the power to refuse or cancel such licenses to be vested in the superintendent of insurance, subject to the right of appeal to a judge. He would increase the annual fees paid by agents to a minimum of $5.00, graded to a maximum of $100.00. He also advocates the appointment of business men and experts to confer with the fire marshal in making recommendations.

One Exception

"There is one suggestion made by the commissioner in the following paragraph which your committee could not approve:

"'It appears to me that there should be a specific application in every case made to the department—first, that the insurance required cannot be obtained with registered companies at ordinary or reasonable rates; and, second, that the company in which it is proposed to place the insurance is solvent.'

"Such an arrangement might readily meet with the approval of the insurance companies, and might find its way into legislative enactments unless developments are carefully watched. In practical effect such a claim would be a most effective means of checking the competition of licensed insurance, whereas the commissioner advises that such competition should be encouraged. Your committee, therefore, instructed council to communicate to your commissioner and the provincial authorities our opinion that the proposal will be regarded by manufacturers with serious apprehension."

Fire Prevention

Reference is made at some length to the great need for fire prevention, the committee beliving that notwithstanding the efforts put forth, negligence is on the increase. On this point the committee says:

"This criminal waste will continue until we as citizens and as manufacturers take hold of it with a determination to reduce it and urge the Government to immediate action. The great mass of citizens, including the members of this association, should not be taxed for these millions of dollars each year without a protest. In these days when the appeal is being made to produce and save, both absolutely necessary if we expect to recover our position, we are certainly not assuming our responsibility unless we put forth a much greater effort to remedy this glaring evil.

"Your committee believe that the Government should appoint a commission to investigate the reasons underlying the fact that the fire loss of Canada is greater than that of any other country, and to suggest measures for its reduction.

"Fire marshals should be appointed in every province, and fire prevention associations should be organized in every city, town, village and county. These associations should study local conditions and suggest remedies. A national convention shuold be held annually to discuss fire prevention, and a constant campaign should be maintained. The practical results cannot be secured until the majority of the people are roused to the seriousness of the situation. We urge the members of the association to interest themselves in forming fire prevention associations in their own towns, so that this matter may receive the attention it deserves. In this way we believe the fire loss can be reduced by each locality looking after its own conditions."

The formation of the Dominion Fire Prevention Association, and the amendments to the criminal code regarding negligence secured by the association, are favorably commented upon.

Sprinkler Systems

The committee reports decisive action in the direction of securing the installation of sprinkler systems. Its members believe that the installation of automatic sprinklers will have more effect than any other measure, to reduce the loss of life and property through fire.

The committee also reports that they are asking the Government to facilitate the transaction of industrial group life insurance.

DELAYED ACTION TILL TOO LATE

Man Who Was Being Insured in Interests of His Firm Dies Within a Week

Some of those who are preaching the gospel of business insurance are supplied with a text at the present time which should enable them to kill the procrastination germ.

Within the last few months there died very suddenly in Toronto a gentleman well known to the business community. He was a man of wide connections, an exceedingly hard-working man, one whose presence was a vital factor in a number of concerns. One of the concerns in which he was a dominating factor had under way a project for extension. To make this project as certain of success as was humanly possible, it was determined to insure the life of this gentleman so that should anything happen to him a sum of money would be at hand to enable any period of waiting which would likely result being borne without loss, to enable readjustment to be effected without financial hardship to the company. The matter was all arranged, the sum was fixed, and one week-end the gentleman to be insured was seen to get the final details arranged. He put the matter off until the commencement of the week. The commencement of the week he was dead.

From what the FINANCIAL POST learns the particular project which was in hand, while delayed, will still be carried through.

In addition to the loss of their associate, however, the directors of the company are called upon to bear considerable expense and inconvenience resulting from this delay, expense and inconvenience which the insurance funds contemplated would have largely offset.

Received business of the North American Life in May amounted to $2,125,000, exceeding May of last year by $1,000,000. Issued business totaled $2,040,000, the largest amount ever issued in one month in the annals of the company. For the first five months of the year issued business amounted to over $9,400,000, or more than the whole business of 1915.

BIG ADVANCES ARE MADE BY THIS BRITISH COMPANY

London Assurance Corporation Shows Gain in Several Departments

ACCIDENT BRANCH

Life and Fire Departments Do Well, While Marine Department Shows a Decline

Good progress was shown by the London Assurance Corporation, which does business in Canada, in its report for the past year. In its life department the premium income, after deduction of re-insurances, amounted to £247,336, compared with £228,156 the year before, and the total income to £405,054 as against £341,523. New assurances were granted under 525 policies for £657,729, compared with 533 policies for £413,174 in 1917. Death claims were paid in 193 cases under 241 policies for a total of £168,432, compared with 195 persons assured under 224 policies for £190,660 in 1917.

The life assurance fund increased during the year from £22,754,366 to £2,897,683.

Fire Department

In the fire department the premium income amounted to £1,231,617, compared with £872,725, and the losses to £530,283 compared with £415,289 one year before, or a surplus over losses for 1918 of £701,334, as against £457,436 in 1917. Expenses compared as £237,287 to £156,351; there was carried to profit and loss account £146,827 compared with £84,993; commission amounted to £231,634 compared with £177,791; and the balance at the credit of the fund rose from £900,000 to £1,000,000.

Marine Account

In the marine account the premiums showed a decrease from £1,243,928 to £1,213,551; losses declined from £1,048,267 to £766,918; expenses of management grew from £66,290 to £89,537; agents' commissions from £74,794 to £75,809; there was carried to profit and loss account £376,255 in place of £239,461; and the balance at the credit of the fund was £1,300,000 in place of £1,350,000.

In accident and other accounts the premiums showed a very large increase, from £20.194 to £56,302, with claims increasing from £6,931 to £17,500, leaving a balance over these of £38,802 in 1918, compared with £13,236 one year before. There was transferred to profit and loss account £3,959 this past year, and the amount of the fund showed an increase from £37,897 to £50,000.

The amount standing to the credit of profit and loss account of the corporation was £197,271 compared with £188,786 one year ago. The deductions were £100,000 to general reserve; £122,120 to investments, depreciation and contingencies account; £20,000 written off premises account, and £210,000 set aside for income tax, payable in 1919, and for excess profits tax, and £33,900 applied in payment of foreign taxes. Out of the surplus the directors recommended a dividend of 24 per cent., being 6 shillings per share.

Balance Sheet

The balance sheet showed among the assets: mortgages on property in the United Kingdom, £688,620 against £606,201; loans on life interests, £156,420 as against £155,870, and others, making a total of £945,416, compared with £864,762.

Among the investments are £2,029,862 in British Government securities, up from £1,716,770 one year ago. Other investments include debentures and debenture stocks, up from £1,164,306 to £1,210,186. The assets rose from £7,393,667 to £8,526,459.

STRIKE INSURANCE

Still Being Written in Large Volume in United States

Strike insurance occupied not a little attention of brokers Saturday notwithstanding it was a short day, says the Journal of Commerce. The threatened general strike of telegraph operators, together with many rumors of possible labor troubles throughout the country, are potent arguments which brokers use to persuade their customers of the advisability of securing strike cover while the rates in this country continue at the low normal level. Inquiry for cover on Canadian risks continues very active and brokers are seeking increased lines on risks already being placed in this market.

CANADIAN ORDER OF CHOSEN FRIENDS

The Order furnishes life insurance to members in accordance with the Standard of the Government of Ontario. Sick and funeral benefits are also given if desired.

No charters are granted to Local Councils outside of Canada. Being confined to this healthful Northern Zone, the death rate is small and rates proportionately low. The Order has already paid over five million dollars in death and disability claims, and over five hundred thousand dollars in sick and funeral benefits.

Over 600 Councils in Canada. If there is not one in your locality there should be. For full information write to any of the following officers:

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W. F. Montague, Grand Recorder
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W. H. Woods, M.D., Grand Medical Ex.
HAMILTON - ONTARIO

British America Assurance Co.
Fire, Marine, Hail and Automobile Insurance.
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Assets over - $4,000,000.00
Losses paid since organization, over - $45,000,000.00

Western Assurance Company
Fire, Marine, Automobile, Explosion, Riots, Civil Commotions and Strikes. Insurance.
Incorporated 1851
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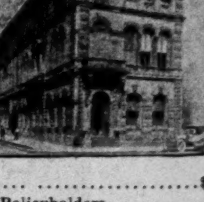
The London Mutual Fire Insurance Company
ESTABLISHED 1859



Assets $639,691.53
Surplus to Policyholders 164,317.87
DIRECTORS:
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HEAD OFFICE, 33 SCOTT STREET, TORONTO.

MAY BUILDING PERMITS SHOW GOOD INCREASE

Nearly Two Millions Ahead of Corresponding Month of 1918

TORONTO STILL LEADS

Queen City Issues Permits to Value of Million and a Half and Has Big Gain for Five Months

Improvement in building conditions continues. Twenty-five eastern and fifteen western cities report the issuance of building permits for the month of May to the amount of $7,050,282, which represents an increase of nearly $2,000,000 over May, 1918, and of nearly $1,500,000 over the month of April, 1919. There has been a steady growth in the value of permits issued each month this year, as will be observed on reference to the following table:

January (34 cities)	$1,128,001	$1,562,001
February (36 cities)	1,690,917	992,030
March (37 cities)	2,924,395	2,048,602
April (36 cities)	5,639,997	3,065,873
May (40 cities)	7,050,282	5,083,264

Comparing Previous Mays

While building authorized in May this year was well ahead of the corresponding month of last year, which in turn exceeded May of 1917, there is still a huge discrepancy between the figures of to-day and those of the boom days prior to the war. When the increased cost of building is taken into account, the decrease is even more notable. However, the performance for 1919 shows a substantial gain over the years of the war, as shown by the following table:

May, 1915 (37 cities)	$3,578,349
May, 1916 (37 cities)	3,843,033
May, 1917 (38 cities)	3,591,733
May, 1918 (40 cities)	5,083,264
May, 1919 (40 cities)	7,050,282

Five Months' Record

Permits issued by the forty cities reporting for the first five months of the year now amount to $18,581,283, which represents an increase over the corresponding period of 1918 of $5,789,754. Thirty of the forty cities are ahead of last year, as will be seen by referring to the table below. This shows that the city of Toronto continues to lead, both in monthly and five-monthly figures. Its permits for May were nearly $1,500,000, or only $100,000 less than in April, while its total for the five months approaches $5,000,000.

Montreal comes a close second to Toronto for the month, but is far behind for the five months. Halifax continues to pile up gains, and is now $636,140 ahead of last year. A good showing is also made by Hamilton, where the five-month increase now amounts to over $800,000. In the West, Calgary leads with a gain of $395.600.

Some Permits Issued

Fort William reports school additions to a value of $166,000. Kitchener reports five concrete and brick buildings for the Imperial Oil Co., valued at $19,996. In Stratford, the Ballantyne Knitting Co. are making a $30,000 addition to their factory. St. Catharines reports an $18,000 addition to Knox Church. In Windsor permits to a value of $179,290 were issued for 59 single and 9 duplex residences; 23 garages; 16 repairs and 4 additions.

Guelph's permits included $33,000 for factory for the Guelph Worsted & Spinning Co.; $45,000 for factory for the Partridge Rubber Co.; $100,000 for factory for Northern Rubber Co. In Brandon, the Coca-Cola Co. are erecting a $21,000 plant. Moose Jaw reports a $55,000 permit for union depot, and a $50,000 permit for the Bellamy block. In Saskatoon public garages, worth $15,000 and $20,000, are authorized.

Regina reports the issue of permit for Winter Fair building worth $88,000, and warehouse for McNall & Co., $14,000. At Medicine Hat, the Imperial Oil Co. has taken out permit for a $20,000 warehouse. At Victoria, B.C., permits have been issued for $75,0000 block for David Spencer Co., and $27,000 building for Harbor Marine Steel Shipbuilding Co. At Vancouver the Terminal Taxi Co. will erect a garage worth $30,000.

BUILDING HAS BEEN RESUMED

Halifax Strike Settled After Six Weeks of Idleness and Serious Financial Loss

By Special Representative

HALIFAX.—Building operations in Halifax, which have been at a standstill for six weeks in the best season of the year, on account of a strike by six unions, have been resumed. This strike was particularly regrettable, not merely because of the financial loss, but on account of the acute housing conditions that have been in existence for two years, and which are constantly becoming worse. Rents have gone to tremendous heights, and houses are unobtainable by want-to-be lessees. The only way a newcomer in Halifax has recently been able to secure accommodation has been to purchase, and then with a fancy price and with the cash down, for most builders require the money—they do not want a mortgage.

The futility of a strike from the point of view of the men, its financial loss to them, even if they win a seeming success, has been illustrated anew. Two thousand men at least have been idle for more than five weeks. They would have earned over 50 cents an hour had they been working, a loss to the members of the unions of $1,000 per hour, or $9,000 a day. Five weeks' idleness means at this rate about $270,000. But the wages have been more than 50 cents an hour, and the time more than five weeks, so that the loss in wages may be easily set down at $300,000. This is an average individual loss of $150. It will take the men a very long time to make up this sum. Some of the men will never make it up.

The men after five weeks accepted the employers' offer of arbitration, which is now on.

Claims of American citizens against Germany because of submarine warfare and action of German Government against American property aggregate nearly $1,000,000,000.

Ingersoll's housing commission, which had purchased land on which to build 50 houses, has decided not to go on with the project owing to the general labor unrest throughout Canada.

Building Permits for the Month of May

Eastern Cities

	May 1919	May 1918		Change	5 mos., 1919	5 mos., 1918		Change
Maritimes—								
Halifax	$ 403,190	$ 298,940	+	$ 104,250	$1,411,246	$ 775,106	+	$ 636,140
Sydney	139,454	55,667	+	83,787	249,049	134,897	+	114,152
St. John	44,200	163,000	—	118,800	80,200	242,478	—	162,278
Quebec—								
Montreal	1,269,435	658,680	+	610,755	2,156,007	1,742,005	+	414,002
Quebec	182,463	252,562	—	70,099	622,780	439,654	+	183,126
Outremont	53,700	42,000	+	11,700	53,700	42,000	+	11,700
Westmount	60,325	39,950	+	20,375	133,179	75,000	+	58,179
Ontario—								
Brantford	239,785	182,825	+	56,960	398,870	231,825	+	167,045
Chatham	12,620	39,190	—	26,570	38,830	58,710	—	19,880
Fort William	186,900	4,930	+	181,970	200,675	188,320	+	12,355
Hamilton	315,210	135,820	+	179,390	1,391,780	587,127	+	804,653
Kingston	40,380	50,770	—	10,390	267,089	102,474	+	164,615
Kitchener	66,125	29,660	+	36,465	248,370	61,275	+	187,095
London	129,575	83,090	+	46,485	384,420	231,675	+	152,745
Ottawa	386,927	135,475	+	251,452	801,237	295,376	+	505,861
Port Arthur	32,360	525,375	—	493,015	76,998	557,031	—	480,033
Stratford	53,800	19,650	+	34,120	73,138	37,525	+	35,613
St. Catharines	82,682	110,662	—	27,980	224,704	207,707	+	16,997
St. Thomas	18,355	6,715	+	11,640	108,905	15,595	+	93,310
Toronto	1,455,734	877,508	+	578,226	4,983,950	2,734,951	+	2,248,999
Welland	19,840	93,029	—	73,189	136,120	176,724	—	40,604
Windsor	179,290	89,905	+	89,385	485,055	281,410	+	203,645
Woodstock	27,247	22,147	+	5,100	41,628	49,022	—	7,392
Galt	24,400	53,395	—	28,995	100,245	71,535	+	28,710
Guelph	239,120	50,035	+	189,085	176,630	9,105	+	167,525
Total 25 East. Cities	$5,663,117	$4,021,010	+	$1,642,107	$14,844,805	$9,348,527	+	$5,496,278

Western Cities

	May 1919	May 1918		Change	5 mos., 1919	5 mos., 1918		Change
Alberta—								
Calgary	$ 472,000	$ 63,600	+	$ 408,400	$1,075,900	$ 680,300	+	$ 395,600
Edmonton	54,550	44,820	+	9,730	128,775	83,055	+	45,720
Lethbridge	2,620	44,930	—	42,310	49,070	79,348	—	30,278
Medicine Hat	27,101	7,370	+	19,731	69,544	32,290	+	37,254
Manitoba—								
Brandon	372	4,354	—	3,982	30,547	17,931	+	12,616
St. Boniface	3,170	1,275	+	1,895	36,320	79,875	—	43,555
Winnipeg	73,400	300,700	—	227,300	475,750	706,300	—	230,550
Saskatchewan—								
Moose Jaw	126,770	211,855	—	85,085	200,910	267,855	—	66,945
Prince Albert	9,040	2,740	+	6,300	21,390	5,118	+	16,272
Saskatoon	95,990	49,290	+	46,700	266,875	166,100	+	100,775
Regina	178,880	53,350	+	125,530	453,760	529,010	—	75,250
Yorkton	8,510	4,525	+	3,985	8,510	4,525	+	3,985
British Columbia—								
New Westminster	11,175	3,700	+	7,475	57,650	26,550	+	31,100
Vancouver	202,690	261,845	—	59,155	678,550	606,555	+	71,995
Victoria	120,897	7,900	+	112,997	182,927	158,190	+	24,737
Total 15 West. Cities	$1,387,165	$1,062,254	+	$ 324,911	$3,736,478	$3,443,002	+	$ 293,476
Gr. Total 40 Cities	$7,050,282	$5,083,264	+	$1,967,018	$18,581,283	$12,791,529	+	$5,789,754

FIRST ISSUE

$5,500,000.00

6½%

SERIAL SECURED GOLD BONDS

—OF—

SAGUENAY PULP AND POWER COMPANY

CONTROLLING BY STOCK OWNERSHIP:

THE CHICOUTIMI PULP COMPANY;
THE SAGUENAY LIGHT & POWER COMPANY;
THE ROBERVAL-SAGUENAY RAILWAY COMPANY;
THE CHICOUTIMI PORT COMPANY;
THE ST. LAWRENCE PULP AND LUMBER CORPORATION.

THE CHICOUTIMI PULP COMPANY is the largest producer of Wood Pulp in the World.

These Bonds are dated June 1st, 1919, and mature respectively on the followingdates:

July 1st, 1921	$100,000	July 1st, 1928	$273,500
" 1922	105,000	" 1929	285,500
" 1923	111,500	" 1930	297,500
" 1924	118,000	" 1931	311,000
" 1925	242,500	" 1932	325,000
" 1926	253,000	" 1933	339,000
" 1927	262,500	" 1934	2,476,000

Principal and Interest payable in Gold Coin at the option of the Bearer (or of the registered holder) at:

THE MOLSONS BANK, IN MONTREAL AND QUEBEC.
THE BANQUE D'HOCHELAGA, IN MONTREAL AND QUEBEC.
THE NATIONAL PARK BANK OF NEW YORK, NEW YORK, U.S.A.

The first interest coupon will be for seven months and will mature on the 1st of January, 1920. Thereafter the interest coupons will mature half yearly on the 1st of July and 1st of January of each year.

Denominations: $100, $500, $1,000.

REGISTRATION: Bonds may be registerd as to principal, free of charge, at the Office of THE CROWN TRUST COMPANY, Montreal.

The Company reserves the right to redeem the Bonds, by drawing, in whole or in part, at 102% and accrued interest, upon thirty days' notice, on any interest date.

TRUSTEE: THE CROWN TRUST COMPANY, Montreal.

LEGALITY: Messrs. Beiquet & Beiquet and Messrs. McGibbon, Mitchell, Casgrain, McDougall & Stairs, Solicitors, have passed upon the validity of these Bonds.

Trust Deeds have been passed before Mtre. R. Faribault, N.P., Montreal.

DELIVERY OF BONDS: ON OR ABOUT JUNE 15th, 1919.

Price: Par and Accrued Interest.

Persons subscribing before June 15th, 1919 will be entitled to accrued interest from June 1st, to June 15th, 1919.

SECURITY FOR BONDS

These Bonds are secured by pledge and transfer to the Trustee of:

1.—$ 2,670,000	6% **First Mortgage Gold Bonds of The Chicoutimi Pulp Company,** maturing July 1st, 1943, part of an issue of $5,000,000, of which $294,700 have been redeemed by the Company. Interest payable January 1st and July 1st each year.
2.—$ 1,500,000	7% **First Mortgage Gold Bonds of The Saguenay Light and Power Company,** maturing July 1st, 1944, being the full amount of the issue. Interest payable January 1st and July 1st each year.
3.—$ 1,330,000	7% **First Mortgage Gold Bonds of The Roberval-Saguenay Railway Company,** maturing July 1st, 1955, being the full amount of the issue. Interest payable January 1st and July 1st each year.
4.—$ 1,125,000	**First Mortgage** on 80,619 acres of **Free-hold timber lands** sold to the Chicoutimi Pulp Company and payable by the latter in annual instalments of $75,000 without interest, said instalments payable 1st July each year.
5.—$ 500,000	**To be deposited in Cash** with the Trustee, in Five Annual Consecutive Instalments of $100,000 each, the first of which to be paid on June 1st, 1919, by the Saguenay Pulp & Power Company for the purpose of providing a Reserve Fund, for the benefit of these Bonds, same to be used in accordance with the terms of the Trust Deed.
$ 7,125,000	**Total of Bonds, First Mortgage and Cash.** (The amount of annual sinking fund on above mentioned bond is given in the prospectus.)
	AND OF
6.—$ 3,000,000	6% Cumulative Preferred Shares of the Chicoutimi Pulp Company being the total amount of the issue.
7.—$ 4,000,000	Common or Ordinary Shares of the Chicoutimi Pulp Company of a total amount of $4,100,000 of Common Stock of said Company.
8.—$ 1,500,000	Common or Ordinary Shares of the Saguenay Light and Power Company, being the total of the Capital Stock issued by the said Company.
9.—$ 800,000	6% Non-Cumulative Preferred Shares of the Roberval-Saguenay Railway Company, being the total amount of the issue.
10.—$ 1,200,000	Common or Ordinary Shares of the Roberval-Saguenay Railway Company, being the total Ordinary Stock of the Company.
11.—$ 121,000	Common or Ordinary Shares of the Chicoutimi Port Company, of a total issue of $125,000.
$10,621,000	**Total of Preferred and Ordinary Shares.**
$17,746,000	**Grand Total of Securities pledged.**

GENERAL INFORMATION:

PRODUCTION.—The Chicoutimi Pulp Co., is the largest pulp producer in the world, it produces at present 110,000 tons of mechanical pulp per year, and its production will be increased to 130,000 tons as soon as the new plant is in operation.

TIMBER LIMITS.—The Chicoutimi Pulp Company possesses or controls 2,395 square miles of timber limits of which 774 square miles are Freehold. Experts estimate that 20,800,000 cords of pulp wood can be cut on these limits.

WATER POWER.—The Chicoutimi Pulp Company possesses water powers capable of developing about 45,000 h.p. of which 30,000 h.p. are now utilized. The Saguenay Light & Power Company owns or has under lease about 160,000 h.p. and utilizes at present 9,200 h.p.

PROFITS.—The four companies whose bonds and shares are pledged as security for this issue show profits, for the year ending Dec. 31st, 1918, after deducting cost of operation and management, of $1,081,509.54, as follows:

The Chicoutimi Pulp Company	$819,596.50
The Saguenay Light and Power Company	133,730.56
The Roberval-Saguenay R.R. Co.	105,002.88
The Chicoutimi Port Company	23,179.60
	$1,081,509.54

The entire output of the Chicoutimi Pulp Co. for 1919 is sold at prices which justify estimating the profits of these companies at $1,200,000 for the current year.

PURPOSE OF THE PRESENT ISSUE

The present bond issue of $5,500,000 is made for the purpose of consolidating under a single issue the Bonds and other securities of the group of Chicoutimi companies now owned by the Saguenay Pulp and Power Company, and to provide ample working capital; provision is also made for RESERVE and SINKING FUNDS.

BOARD OF DIRECTORS:

Hon. **F. L. BEIQUE,** Senator, Vice-President of the Hochelaga Bank and Director of the "Canadian Pacific Railway."
Mr. **EDWARD C. PRATT,** General Manager of The Molsons Bank.
Mr. **LOUIS CHABLE,** Vice-President of "American Paper Exports, Inc." New York.
Hon. **J. M. WILSON,** Senator, director of the Hochelaga Bank, director of Montreal Tramways.
Mr. **J. E. A. DUBUC,** Chicoutimi.
Mr. **JOS. QUINTAL,** President of the Chambre de Commerce of Montreal.
Hon. **NEMES GARNEAU,** M.L.C., Quebec, Director of Provincial Bank of Canada.
Mr. **R. F. HAMMOND,** Vice-President "Craig-Becker Company, Inc.," New York.
Mr. **JOHN J. STEEL,** Buffalo.

Orders received and further information supplied by any of the following firms:

RENE-T. LECLERC
Banker
Established in 1901
160 St. James St., ... - ..... Montreal

BEAUSOLEIL LIMITED
Financial Agents
112 St. James St., ... - ..... Montreal

VERSAILLES, VIDRICAIRE, BOULAIS, LIMITEE
MONTREAL 90 St. James St.
QUEBEC 198 St. John.

PROVINCIAL SECURITIES, Limited
115 Mountain Hill
QUEBEC

McCUAIG BROS. & CO.,
Members Montreal Stock Exchange
Corner Notre Dame and St. Francois-Xavier
MONTREAL

CREDIT CANADIEN, Incorpore
Financial Agents
99 St. James St., ... - ..... Montreal

L. G. BEAUBIEN & CO.
Members Montreal Stock Exchange
MONTREAL 50 Notre Dame W.
QUEBEC 70 St. Peter St.

And all Branches of

The MOLSONS BANK AND **The HOCHELAGA BANK**

ACTING ON BEHALF OF THE MEMBER OF THE UNDERWRITING SYNDICATE.

MILLING MENACED BY TARIFF CHANGES

Big Company Officials Take a Serious View of the Proposals

By J. L. RUTLEDGE
Editor "Canadian Grocer"

The consensus of opinion of milling officials, is that the proposed tariff, if it would pass unamended, would mean a serious blow to the Canadian milling industry. At the present time the trade is so hedged about by restrictions, that even if it were passed the change in the budget would have no appreciable effect, but certainly the passage of the clauses of the tariff dealing with wheat and flour would presuppose that these restrictions would at least eventually be removed, and that the reciprocity provided for under this tariff would become effective. If this were the case, the result, in the opinion of prominent officials of the industry, could mean little else but destruction as far as the milling industry in Canada was concerned. The mills in Canada would simply have to be removed across the line in order to survive the competition that would result.

The reason for this is simple enough. The tariff on bags, barrels, mill machinery, fuel, oils, and everything that is used in the milling industry, is still in force. It is a premium charge that the Canadian miller must pay. He must buy his grain on the same market basis, and he must sell, under the new tariff provision, at the same market price, but his mills, and everything that goes into them in the way of running machinery and supplies, costs him the American price plus the Canadian duty. He is therefore shut out of the American market, and is at a disadvantage on the world markets to that extent.

The actual effect is simply this. With the Canadian mills operating strictly at cost, the American mills, buying their materials, machinery, bags, barrels, etc., can sell at the same figure identically as the Canadian mills, and show from 15 to 20 cents a barrel profit, which is all that the Canadian mills expect to make. With the reciprocity agreement in force, they could undersell the Canadian mills on their own ground. There is only one result to such a condition. The mills would have to be moved across the line where they could compete on an even footing, for, given this opportunity they are confident of being able to maintain their present business.

NEW BRANCH OPENED

Huron & Erie Establish London East Office

The Huron and Erie Mortgage Corporation will open very shortly an East London branch. This will be located at 814 Dundas Street East, and is to be in charge of A. H. Whitlow, until recently manager of one of the London banks.

The work of remodeling the King street, Toronto, branch of this company and the Canada Trust Company is now in hand, and the expectation is that this branch will open about September.

EFFECT OF TARIFF ON RETAIL TRADES

A Number of Hardware Lines Will be Influenced—Tea and Coffee

Manufacturers with whom "Hardware and Metal" has discussed the proposed tariff changes seem generally inclined to believe that business will not be materially affected in any way by the new schedules. In some instances the tariff changes will mean slightly higher or slightly lower costs, but in none of the hardware lines is it expected that there will be any changes of sufficient importance to disturb conditions generally. Business has been good, the manufacturers say, and there is every indication that it is going to continue good. If anything, the proposed changes should help business, many manufacturers say.

Results of inquiries indicate that the sheet metal industry will be protected definitely by a 12 per cent. duty instead of 5 per cent. plus 7½ per cent. war tax. In leather the situation will be much as it was before the war. Cement also comes back to a pre-war basis. Dry color manufacturers will benefit to some extent. The cordage situation is little changed, except as regards the advantage to British competitors. Copper and brass tubing, sheets, etc., are likely to advance somewhat under the new schedules. The increase on tinplate may also affect prices on sheets and products, with the British manufacturer securing a certain margin of advantage. Canadian manufacturers of pig lead and other metal products will benefit, and prices may, therefore, be firmer.

TEA AND COFFEE

The change in the tariff on tea and coffee will not, according to "Canadian Grocer," result in any material declines in prices. As regards the tariff on tea, there will be a discrimination of 3 cents a pound against Japan, China and Java teas. There has been a heavy stock of Javas imported during the past year, but this was an unusual condition due to Java being shut off largely from its parent country, Holland. It is not expected that Java teas will be a very large factor in the future. In regard to the other teas, handlers merely state that they will absorb the difference.

In the case of coffee the tariff shows a reduction of 5 cents a pound. In neither case, however, is this likely to result in a change in price. Conditions on the primary markets are such that the saving represented by the change will go into the hands of the producer in the form of rising costs of primary stocks, and the consumer for some time, at least, will not benefit.

WESTERN CANADA MILLS

A Change in Winnipeg Situation Expected in Few Days

J. E. Macfarlane, of the Western Canada Flour Mills Co., states that the company is progressing as favorably as could be expected under the existing industrial conditions. The mills at Goderich, Calgary and Brandon are running, but the Winnipeg mill is still closed. As this mill has a 5,500 barrel daily capacity the fact that it is lying idle pretty well cuts the production of the company in half. Mr. Macfarlane, however, states that the company has been able to meet all its requirements owing to substantial reserve stocks on hand prior to the Winnipeg strike, and, while there is some difficulty in getting stocks through, he is inclined to believe that there will be a change in the situation in Winnipeg within the next few days, that will enable them to start operating the Winnipeg mill again.

AUTO INSURANCE MOVE

British Company Enters Canada in This Line of Business

A new development in the automobile insurance business in Canada is taking place with the opening for business in the Dominion of the Motor Union Insurance Company, Ltd., of London, England. This bears out what Lloyd Harris has recently said as to British concerns coming to locate in the Dominion.

The company, founded under the auspices of the Automobile Association and Motor Union, proposes to pursue in Canada an independent line of action unfettered by agreements with competing companies for maintenance of rates or restrictions of policy conditions. It may be mentioned that the last financial statement published shows assets totalling over $8,000,000, with a premium income of over $7,500,000.

PANTAGES' THEATRE
Toronto
Eastern Theatres
Limited

7% Cumulative Preferred Stock, with 25% bonus in Common Stock. Unusual possibilities for appreciation and profit. Full particulars on request.

Campbell, Thompson & Co.
Canada Life Building, TORONTO

The Montreal City and District Savings Bank

NOTICE is hereby given that a dividend of Two Dollars and Fifty Cents per share has been declared on the Capital Stock, called and paid-up of this Bank, and will be payable at its Head Office, in this City, on and after Wednesday, the second day of July next to Shareholders of record, Saturday fourteenth of June next at noon.

By Order of the Board.
A. P. LESPERANCE,
Manager.
Montreal, May 28th, 1919.

Route Your Shipments
CANADIAN NATIONAL

QUEBEC—The Province of Prosperity

THRIFT is one of the foremost virtues of the people of Quebec; and thrift signifies industry and character—two natural assets having a value that cannot be measured in coin. This thrift of the people of French Canada is deep rooted; it is the heritage of centuries. Perhaps the plentiful possession of this quality of thrift is the ultimate explanation of the distinguished place this province holds in the annals of Canada's prosperity and sound development.

Nowadays people are prone to look at everything through the spectacles of dollars and cents; to study balance sheets; and to pay little heed to the spiritual qualities of a nation and its workers; but when one studies Quebec, one cannot escape a consideration of the French-Canadian people, for it is in them even more than in the province's national resources and advantages that is found the explanation of Quebec's good showing in the annual statement of her financial status.

QUEBEC'S STEADFASTNESS

In Ontario the changes in population are many; so is it in the Canadian West.

In Quebec things are more stable. The restlessness of those of Anglo-Saxon origin is absent. The home-love and the family-love of the French-Canadian are pronounced and renowned. Consequences of this are conservatism, staunchness, integrity; and these good and desirable qualities are revealed in the people's work and life.

QUEBEC GEOGRAPHICALLY CONSIDERED

But a people alone, without a country, without a responsive country, cannot hope to achieve great results. What, then, is Quebec Province as a thing of clay and stream, rock and hill, a contributor to the people's advancement in material things? How does its geographical location favor its development?

Everybody knows that Quebec is the principal owner of the great St. Lawrence River—Nature's magnificent watercourse for Canada's grain and beef and timber, and all else, on their way to Great Britain, Europe and other lands. Everybody knows, too, of the predominance of the port and city of Montreal over all other Canadian ports and cities. And everybody recognizes that Montreal must grow and grow in sympathy with Canada's growth, and that nothing that can be foreseen can ever rob her of her distinction of being Canada's principal ocean port, with all that this implies and gives.

But apart from any dependence on the West for the growth of her commerce and trade, there is the Province's own productions of the farm, forest and mine. Quebec's native wealth is immense—almost beyond one's powers of conception or calculation. Not always is this wealth on the surface or to be won by easy scratching. Much of it demands toil and capital; and in the past Quebec has suffered from the competition of the West, with its glamor, easily-worked prairie land and rainbow-tinted advertising.

QUEBEC'S NEW DAY

A new day for Quebec, however, has dawned, for this is a day of national stock-taking. It is a day when men of capital and statesmen are looking inquisitively into everything, for economic advantage. With the advent of peace, and when the readjustments that will come are made, Quebec's transcendant claims on the attention of Canadians and of the peoples of the Old World and of the United States will be perceived and heeded.

These claims of Quebec are of greatly varied character; agricultural wealth; riches in minerals and forest products; ability to produce cattle and horses, sheep, swine and poultry; immensity of water power for industrial requirements; and the ability of her children to perform with celerity and skill the work of factories.

QUEBEC A BIG PROVINCE

Let us look at Quebec's far stretching acres—450,000,000 of them, the most spacious of all Canada's provinces. Of this huge territory only 15,000,000 acres or so—about 3.5 per cent.—are under cultivation, and only half of this acreage can be called improved lands.

Yet from this relatively small acreage much wealth is derived, as witness these figures, comparatively presented:—

	Field crops.	Dairy products.
1918	$271,750,900	$30,680,791
1917	154,097,900	28,313,658
1916	102,937,000	22,875,337
1915	104,683,000	17,303,000
1914	99,279,000	16,156,022
1911	76,325,000	15,656,986

QUEBEC AS A DAIRY PROVINCE

Dairying in Quebec is a highly developed and specialized industry. Much land is devoted to pasturage, and the growing of fodder crops is much favored. The last available figures give a total of 1,958 cheese and butter factories with an output for the year of 1918:

	Lbs.	Value
Butter	37,281,000	$16,622,085
Cheese	61,911,840	14,058,706

Financial Position of the Province of Quebec

Assessed value of taxable real estate, December 31, 1917 (last date at which summarized figures are available)		$1,371,840,772
Total funded debt, 30th June, 1918		$ 39,827,769
Less—Sinking Fund	$1,812,115	
Other Assets (net)	5,873,137	
		7,685,252
Net Debt.		$ 32,142,517

The net debt is less than 2.34% of the assessed (Real Estate) valuation.

Population census of 1911	2,003,232
Population, 1917, as estimated from official reports of local authorities	2,380,042
Annual value field crops	$ 102,937,999
" " dairy products	22,875,337
" " lumber, pulp, etc.	27,500,491
" " minerals	13,287,024
" " manufactures	387,900,585
	$ 554,500,437

Area of Province, 450,337,761 or 703,653 square miles.

The Province of Quebec includes the Cities of Montreal and Quebec, the former the principal commercial city of Canada. The foreign commerce of the province in 1916 amounted to $821,136,374.

The Province of Quebec contains about 130,000,000 acres of timber lands, more than any other Province in the Dominion.

Its population, based on the last census figures, is 27.8% of the total population of Canada.

The Province has the power to levy a direct general tax to meet principal and interest on its debt, but has never found it necessary to do so.

The net debt per capita has decreased from $15.63 in 1901 to $13.50 at the present time.

FOREST PRODUCTS OF QUEBEC

Quebec surpasses every other province of the Dominion in the matter of her forest areas. These total 130,000,000 acres, or about 30 per cent. of the province's total acreage, and by comparison with the value of the "cut" of other provinces, Quebec's figures are about one-third of the whole. The value of Quebec's forests is reckoned to be:

White and red pine	$200,000,000
Spruce and balsam	250,000,000
Pulpwood	100,000,000
Hardwood	25,000,000
Total	$575,000,000

As a producer of pulpwood, and of manufactured pulp, Quebec stands in the forefront of Canadian provinces. In 1917, 23 out of 49 Canadian companies engaged in the manufacture of pulp were located in Quebec, and the consumption of pulpwood amounted to 1,109,869 cords, or about 52 per cent. of Canada's total consumption. In addition to the domestic consumption, 698,839 cords of pulpwood were exported, being about 68 per cent. of the whole Canadian export.

QUEBEC'S MINERAL WEALTH

The vastness of Quebec Province has made it quite impossible up to the present to make any inventory of her mineral wealth; yet this wealth is known to be inconceivably great and widely diffused. In 1917 the value of minerals extracted from the earth was $16,051,188. The yearly figures for a number of years show how mining is developed. They are:—

1902	$2,985,463	1914	$11,732,783
1905	3,750,300	1915	11,465,873
1910	7,323,281	1916	13,287,024
1913	13,119,811	1917	16,189,179
1918	$18,572,595		

QUEBEC'S ASBESTOS DEPOSITS

For one highly useful mineral Quebec is the main source of the world's supply—asbestos. During 1914 the value of the output of her asbestos mines was $2,895,935—almost $3,000,000, or an output for each working day of $10,000.

1915	$3,544,362	1917	7,198,558
1916	$5,182,805	1918	9,019,899

QUEBEC'S WATER-POWERS

It has been said that Quebec possesses water-power in abundance, and water-power soon or late spells industry. The estimated power developed from water, according to the last available figures, is given as 7,000,000 horse-power. From a survey made by the Hydraulic Service of the Province it would appear that 810,000 horse-power are being utilized in plants using over 1,000 horse-power, and when the figures are obtained from the plants using 1,000 horse-power, and less, it is expected that the above figures will be increased to 850,000 horse-power.

QUEBEC'S MANUFACTURES

According to the last census report there were 6,584 manufacturing plants in Quebec which came under the Government standard of five employees. The value of the capital invested was $326,946,000. The number of employees was 158,207 and their wages and salaries amounted to over $69,000,000. The cost of raw material used was $184,274,000 and the value of the output about $351,000,000. Representing between $10,000,000 and $26,000,000 output were eleven industries as follows:—log products, boots and shoes, cottons, butter and cheese, railway cars, men's clothes, tobacco products, railway cars building, grist mills, paper and lumber products which stand in the order mentioned.

QUEBEC'S COMMERCE

Largely through its geographical position, Quebec has developed considerable trade outside of the Province and this explains a heavy import and export trade. The imports in 1870 were $32,833,000 and exports $37,807,000. In 1900 they were $79,508,000 and $76,791,000, respectively; in 1914 they were $185,320,000 and $177,556,000, respectively, and in 1917 exports amounted to the high figure of $551,111,934 while imports were valued at $270,024,440. These latter totals average $231 and $113 per capita, respectively.

MONTREAL'S STATUS

Montreal takes rank as being the great inland seaport of the continent. Located on the famous river waterway, the St. Lawrence, the site is strategetically as close to the heart of the Dominion as it is possible to bring ocean traffic. From a commercial standpoint the advantages are great; on the one hand the terminus of the transcontinental traffic; on the other the terminus of the trans-Atlantic service. Water transportation has always been cheaper than rail, and the indications are that it always will be; so long as such is the case, Montreal is destined to be Canada's great commercial centre. This commercial development, coupled with the age of the city, has been responsible for the location of the head offices of a number of the largest of Canada's financial institutions; the headquarters of rail and water shipping interests; banking, insurance, mercantile and varied other institutions, with connections in both the new and the old worlds.

QUEBEC'S RAILWAYS

Of the 5,195 miles of railroads in the Province on the 30th of June, 1918, there were but 575 miles in existence on the 1st of July, 1867, the date of Confederation. On the 1917 basis, 4,442 miles, there were 1.89 miles per 1,000 of population and 12.3 miles to every 1,000 square miles of territory.

QUEBEC'S WATERWAYS

From the straits of Belle Isle to Quebec, a distance of 2,200 miles, there is a navigable waterway divided into sections as between Belle Isle and Quebec, Quebec and Montreal, and Montreal and the inland lakes, according to the character of the traffic. Montreal is reached from Quebec largely as the result of deepening the St. Lawrence, which permits of ocean traffic to come up-stream to the foot of the Lachine Rapids. To the head of Lake Superior the St. Lawrence canals overcome a fall of 551 feet. The tonnage over the St. Lawrence canals increased between 1901 and 1917 from 1,208,206 tons to 4,391,144 tons.

WHY THIS CHRONICLE?

The main object of this brief sketch is to present afresh what is likely to be a fairly familiar story, yet which to some readers may possess a fresh interest. Beyond this, there is the serious purpose of increasing the faith of investors, merchants, settlers and others in what Quebec, as a Province, has to offer in the matter of rewards and a future. Concerning the Province of Quebec as a business institution, keeping books, and with something, it may be, to sell, the financial statement accompanying this sketch is provided for all to read and digest at will.